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Electoral Commission workers carrying blank ballots that were delivered Friday by army helicopter in Ubombo, in northern Natal Province. The voting was extended there.

# With Voting Seen as Fair, South Africans Turn to Count

By Paul Taylor

Washington Post Service
JOHANNESBURG — South Africa's first
multiracial election ended Friday with praise for the voters, legitimacy bestowed on the process and some worry about the counting.

President Frederik W. de Klerk, Nelson Mandela and the chairman of the Indepen-dent Electoral Commission, Judge Johann Kriegler, all said Friday that in spite of widespread irregularities, they had no reason to doubt that the election would be declared free

Mr. Mandela and Mr. de Klerk — partners in negotiations, opponents during the cam-paign, and most likely partners again in the new coalition government - moved quickly to sound post-election notes of national reconciliation.

"Unless we promote mutual trust, it will be difficult to face the problems of the country," said Mr. Mandela, the president of the African National Congress, who is expected to be inaugurated as the country's first black president on May 10.

Mr. de Klerk, who is expected to serve as one of Mr. Mandela's two deputy presidents, said South Africa had "launched itself into a new era.

"Now is the time to rise above our differences and concentrate on how we can work together," he said.

Indge Kriegler described the four days of voting as an "outstanding success." He said credit belonged not to the Electoral Commission, which he acknowledged had misadministered the election, but to the millions of

See VOTE, Page 4

# U.S. Intervenes to Help the Dollar, but It Keeps On Sliding

By Carl Gewirtz

AND PARTIES

. . . . [7][

International Herald Tribune PARIS - The United States intervened repeatedly in the foreign exchange market on Friday as the dollar fell to near a postwar record low against the yen and a six-month low against the Deutsche mark.

J. 15 intervention, carried out through the Federal Reserve Board, only temporarily boly stered the American currency, which was lower against most other major currencies in New York trading but up slightly on the day against

The dollar closed in New York at 1.6535

Treasury Secretary Lloyd Bentsen said the intervention had been intended to counter In disorderly conditions" in the foreign exchange

Having traded during the day at a six-month low of 1,6430 DM, the dollar spurted as high as 1.6655 DM before starting to slip back. The currency also touched an eight-month low of 100.55 yen and a high for the day of 102.40 yen before settling down.

As in previous bouts of dollar weakness over

close of trading Thursday, and at 101,600 yea, up from 101,275 yea.

The record low for the dollar against the post-world War II yea, reached last year, was 100,35 World War II yen, reached last year, was 100.35

> Initially, analysts said they believed that Washington had moved in support of the dollar, fearing it was headed for a free-fall.

Traders initially read much significance into the fact that the Fed was intervening against the mark as well as the ven.

Intervention against only the yen would have been ambiguous, as the Fed could have been acting on behalf of the Bank of Japan, which The dollar closed in New York at 1.6535 the last few years, speculation has focused on Deutsche marks, down from 1.6610 DM at the whether the dollar would fall below 100 year.

trying to hait an unwanted appreciation of the

yen.

The dual intervention, said Avinash Persaud at J. P. Morgan in London, "alters market perceptions and signals that Washington is not comfortable with a free-fall of the dollar." But subsequent official comments tempered this view, and the dollar gave back some of its

Mr. Bentsen, in announcing the intervention, said: "This is in line with our previously articulated policy, which recognizes that excessive volatility is counterproductive to growth. We stand ready to continue to cooperate in foreign exchange markets."

John LaWare, a Fed governor, also said the intervention had been aimed at curbing market volatility, rather than at influencing any particular dollar exchange rates.

"I don't think it is an attempt to peg dollar-yen or dollar-mark," he said, "Iotervention is used to deal with disorderly markets," and because the Fed "sensed that the markets were

Although Mr. Bentsen has long denied that President Bill Clinton's administration is seeking to devalue the dollar against the yen as a

way of narrowing America's \$60 billion annual See DOLLAR, Page 14

# U.S. to Give **Hata Cabinet** Breather on Foreign Bids

Nothing to Gain Now, Officials Assert After Tokyo Pleads for Time

By Peter Behr

Washington Post Service
WASHINGTON — Washington has decided to give Japan's bard-pressed new cabinet some breathing room by not pressing trade complaints against government procurement practices, officials said Friday.

Japan was among the countries expected to be cited Friday by U.S. trade authorities for discriminating against American companies seeking foreign government contracts. The could have led to sanctions against Japanese

The relatively low level of Japanese purchases of foreign medical and telecommunications equipment is at the top of the U.S. list of

But Washington has concluded that nothing would be gained by turning up the heat on the new, minority government in Tokyo headed by Prime Minister Tsutomu Hata, officials said.

Washington will take stock of the issue again hy June 30, just before the economic summit meeting of the Group of Seven industrial countries in Naples. U.S. officials did not rule out action at that time.

Japanese authorities reportedly warned Washington that new pressure on trade now would harm relations and leave little room for reopening the trade talks that broke off in February.

The U.S. trade representative, Mickey Kantor, had a promising meeting with Mr. Hata on April 15 in Marrakesh, Morocco, during signing ceremonies for the General Agreement on Tariffs and Trade, officials said. The U.S. gov-ernment wants Mr. Hata to succeed in efforts to enact oew tax reductions to stimulate Japan's economy.

News agencies reported from Washington: Officials said it was still likely that the United States would impose stiff trade sanctions oo China, AFP-Extel News reported.

Mr. Kantor has been considering a hard line toward China and could designate it as one of the world's worst offenders of rules protecting intellectual property rights, a U.S. official said. "My bunch is that we will hit them," the

official said Before early June, President Bill Clinton must give notice to Congress on whether he recommends that Chinese exports to the United States continue to receive low tariff levels for

# Pope Has Thigh Operation After Fall

New York Times Service

ROME — In a further sign of advancing years and frailty, Pope John Paul II has fractured his thigh as he clambered from his bathtub in the Vatican. He underwent surgery for two hours Friday in Rome's

After an operation to insert a metal alloy replacement for part of the right thigh bone, the papal spokesman, Joaquin Navarro-Valls, described the 73-year-old Pope as being in "excellent overall condi-

A medical bulietin signed by four physicians said "the main bicchemical and functional parameters remained in normal limits throughout the operation."

"His overall condition was excellent both from the point of view of medical parameters as well as the visual state," Mr. Navarro-Valls said after seeing the Pope just after the operation. "But we are talking

about a person who has had an operation."

The accident was the second in five months. In November, the Pope

apparently tripped down the steps leading to his throne, dislocating his shoulder and fracturing a bone in the fall.

While such fractures are not unusual among older people, the Pope's health is a perennial matter of concern for the world's 950 million Roman Catholics, particularly since he last underwent surgery for the removal of a large intestinal tumor in July 1992.

His latest visit to the Gemelli hospital, where his recovery is expected to take three to four weeks, was the sixth of his 16-year papacy. The most serious surgery came on May 13, 1981, when doctors performed six hours of emergency surgery after a Turkish gunman, Mehmet Ali Agea, tried to assassinate him in St. Peter's

Vatican officials said the Pope slipped in the hathroom of his Vatican apartment Thursday night at about 11 P.M. His personal physician, Dr. Renato Buzzonetti. examined the Pope and X-rays of his footbased this hand decided. his fractured thigh, and decided emergency surgery was not necessary.

The Pope slept for a few hours with the help of analgesics before

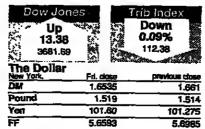
See POPE, Page 4

Strait of Malacca, the main sea route between War, modern small navies could "exercise pow-

CHILD'S PLAY - Youngsters on a makeshift swing Friday near Sarajevo. The United States warned that Serbs might be preparing a new offensive. Page 2.

### Kiosk

### EU Expansion, to 16, Looks Likelier



Up and Coming/// An occasional series about the leaders of tomorrow.

Tiffany Chu, a former trainee for China's national diving team, has been making a splash in the entertainment business as a partner with the National People's Congress.

BRUSSELS (Reuters) — The European Parliament looks increasingly likely to say "yes" to European Union membership for Austria, Finland, Norway and Sweden in a Austria, riminal, Norway and Sweden in a vote next Wednesday, parliamentary officials said Friday.

But they added that many European MPs would seize the opportunity to press for assurances from EU governments that they would be given a binner say in the Union's

would be given a bigger say in the Union's future. The parliament's assent in the votes is needed if the EU is in fact expanding to 16 members, as it hopes to do on Jan. 1.
The officials said that following a meeting

between the parliament's president, Egon Klepsch, and political leaders Thursday in seemed that at least 275 votes would be cast in favor of expansion — 16 more than need-

EU.	 
Books	. Page 5
Crossword	Page I1
Weather	Page 24

# Israel and PLO Sign Self-Rule **Economic Pact**

By Marlise Simons New York Times Service

PARIS - Israeli and Palestinian delegations signed a sweeping agreement on Friday setting out terms for economic relations between Israel and the lands coming under Palestinian selfrule, and laying the groundwork for development of these areas.

Under the agreement, Palestinians in the West Bank town of Jericho and the Gaza Strip would be able to open their own banks and collect taxes. They would also be allowed to export and import goods -- among them such vital commodities as oil, which their Arab allies have promised to provide virtually at cost.

But the accord stops short of allowing Palestinians to have their own currency. Palestinian negotiators claim this as their right, but Israel sees this as a symbol of sovereignty whose time

The agreement was signed after talks in Paris by Finance Minister Abraham Shohat of Israel and the Palestine Liberation Organization's

chief economic negotiator, Ahmed Qurie.
The two men, visibly relieved after a final all-night session, shook hands in an ornate hall of the French Foreign Ministry in the presence of Foreign Minister Alain Juppé and other officials and diplomats.

The 60-page accord is the first detailed por-tion of the overall plan for Palestinian self-rule, which is expected to be signed by the two sides in Cairo on Wednesday.

Both sides said the economic accord was not perfect and reflected concessions. But negotiators said the agreement was crucial because it spells out most aspects of the many day-to-day economic dealings between the two peoples.

Moreover, Israeli diplomats here said, the

new accord is likely to be the blueprint for future economic ground rules in the entire West Bank if it comes under Palestinian authority. These are among the main points in the

• Finance: A Palestine monetary authority, much like a central bank, will regulate banks and foreign exchange transactions and manage and foreign exchange transactions and manage currency reserves. The two sides will continue to discuss the possibility of issuing a Palestinian currency. Palestinian say they will continue using the Israeli shekel and the Jordanian dinar as well as the dollar.

Taxation: A Palestinian Tax Administration will conduct its own tax policy, set its own rates and collect income tax, property taxes and municipal fees. Israel will transfer to the Palestinians 75 percent of the revenues of income tax paid by Palestinians working in Israel. Under Palestinian rule, the value-added tax will be up

to two percentage points lower than in Israel. Trade: The two sides will coordinate import tariffs and rates, but Palestinians have

See MIDEAST, Page 4

### vesting hundreds of millions of dollars to acsignificantly alter the balance of naval power." States, Britain, France, Germany and July compete with each other, and with Russia and Mr. Morgan, a former U.S. Navy officer, said quire corvettes and fast attack craft carrying precision-guided missiles that can damage much larger warships. Those nations flank the that because of the ready availability of advanced weaponry since the end of the Cold See ASIA, Page 4

Southeast Asia Pocket Fleets Pack a Bang

In recent years, partly as a result of improve-

ments in missile technology, the combat poten-tial of small navies in the Asia-Pacific region

has increased dramatically, said Joseph R. Morgan, a naval expert at the East-West Center

"Many of of these fleets are now armed with potent ship-to-ship guided missiles," he said, "giving them an offensive capability that could

the Pacific and Indian Oceans.

By Fred Hiatt

By Michael Richardson

SINGAPORE - Concerned that a diminish-

ing U.S. military presence and the emergence of

new regional powers might threaten maritime trade, Southeast Asian countries are developing

new strategies based on small and fast missile-

armed navies backed by land-based aircraft

and, in the near future, probably by more

Singapore, Malaysia and Indonesia are in-

al Herald Tribune

Washington Post Service
MOSCOW — Not long after Boris Pasternak
died, the KGB came and took Lara away.

Olga Ivinskaya had been Pasternak's lover and helpmate in the great writer's final years and the model for Lara, the passionate heroine of his novel "Doctor Zhivago." The petty and spiteful bureaucrats of the Soviet regime, envi-

Newssta	nd Prices
Andorra 9.00 FF Antities 11.20 FF Cornercoon. 1.400 CFA Egypt E.P. 5000 France 9.00 FF Gabon 960 CFA Greece 300 Dr. vory Coast 1.120 CFA	Luxembourg 60 L. Fr Morocco
	Andorra 9.00 FF Antittes 11.20 FF Comercon 1.400 CFA Egypt E.P. 5000 France 9.00 FF Sabon 960 CFA Sreece 300 Dr.

ous of Pasternak's international reputation and suspicious of any genius untamed by politics, miraculously never arrested the writer himself. But once he was gone, in 1960, they tossed Miss lvinskaya into the gulag, where she suffered for

Now Miss Ivinskaya, 82, is waging one last battle against the bureaucrats of Moscow, and once again the odds are stacked ngainst her.
Though her request seems simple enough — she ment 34 years ago — and though Russia's regime has, in principle, changed, Miss Ivins-

wants the papers the KGB stole from her apartkaya has bumped into one roadblock after The government is reluctant to return the

Pasternak papers — including part of the original manuscript of "Doctor Zhivago" with a dedication to Miss Ivinskaya; a copy of a play. "Blind Beauty," and letters written to him — which it confiscated as seditious literature but now claims as cultural treasure. It is a situation commoo to Russia's museums, archives and

Lara's Theme: Railing at the Bureaucrats libraries, which are crammed with priceless works expropriated by the Bolsheviks and now claimed by the dispossessed or their heirs.

Miss lvinskaya's case is complicated by per-

er far out of proportion to their size" to a

potential foe in narrow waterways of the region.

Buoyed by sustained economic growth, many countries in the region can afford to ouy combat aircraft and ships armed with missiles that can strike targets up to 225 kilometers (140

miles) away; advanced electronic warfare equipment, and new-generation submarines that are suitable for operations in shallow wa-

This trend will accelerate as the United

sonal grudges that have sprung back to life after 40 years, no less bitter than when Pasternak caused them by vacillating between wife and mistress. But it also reflects a continuing ambivalence here about private property, moneymaking and the rule of law.

"It is difficult to understand why this should be happening in the new Russia." the newspaper Sevodyna wrote recently.

Indeed, Miss Ivinskaya's troubles raise a question of how different the new Russia really is. She said her demand for the papers had been met with a combination of nationalist rhetoric, insinuations about her role as mistress to the married genius, and self-righteous pettifoggery that she finds all too familiar. "The same pseudo-patrione demagogy was

See LARA, Page 2

# Turks Offer Iraqis Food-for-Oil Swap Plan for Humanitarian Aid May Be Violation of UN Ban

By Caryle Murphy

ANKARA - Turkey has negotiated a deal to give Iraq humanitarian aid in return for 12 million barrels of mostly Iraqi-owned oil that has been trapped in a Turkish-Iraqi pipeline for almost four years.

Some Western diplomats here said the deal's trade of oil for food and medicine could be viewed as a violation of United Nations sanctions against Iraq, which forbid the selling of Iraqi oil. It essentially gives Iraq new oil income, albeit divered in humanitarian aid.

"It does have some elements" that might violate sanctions, a Western envoy said.

More importantly, faced with other signs that the international consensus on punishing Iraq is fraying. Western diplomats are concerned Turkey's initiative sig-nals a weakening of its resolve to go along with American-led efforts (o maintain Iraq's commercial and diplomatic isolation until President Saddam Hussein is removed.

Mectiog in Sandi Arabia

Arah states of the Gulf, Secretary of State Warren M. Christopher expressed U.S. determination to re-

sist any easing of UN sanctions. In meetings in Washington last week with Prime Minister Tansu Ciller of Turkey and in talks this week at the United Nations, the Clinton administration made it clear that we would be opposed to any step that would violate the sanctions," a State Department of-ficial said. Whether the proposed Turkey-Iraq deal would fall into that category is still under discus-

sion, he said A Turkish Foreign Ministry un-der secretary, Ozdem Sanberk, who struck the deal during a recent visit to Baghdad, called the arrangement a "limited rescue operation" to prevent damage to the pipeline, which was shut down when the United Nations imposed sanctions on Iraq after it invaded Kuwait in

"It's oot an export of oil," Mr. Sanberk said in an interview, "We don't think it's breaking sanc-

He made clear that his recent trip to Baghdad — the highest-level Turkish visit since the end of the Gulf War - stemmed from Ankara's view that Mr. Saddam is not likely to be overthrown soon and that the Iraqi regime should be en-

gaged in dialogue.
This is a widely held view in the region, but runs counter to the American assessment that sanctions are undermining Mr. Saddam's legitimacy and will eventual-

ly lead to his downfall. But Mr. Sanberk said Turkey "is not going to break solidarity" and the UN embargo. "If we sa Saddam is going to stay, it is our opinion and we are not going to

break the lines," he said. We proposed a narrow, limited rescue operation to once or twice flush out, repair and close the pineline and wait for the removal of the

embargo," Mr. Sanberk said.
A similar situation existed after the Gulf War on Iraq's other major export pipeline, across Saudi Ara-bia. The Saudi government seized that oil, sold it and turned the proceeds of about \$30 million over to the state-owned Saudi Aramco Oil Co. to cover the costs of maintaining the pipeline and storage tanks, according to Saudi officials.

Of the 12 million barrels of oil in the pipeline, which transports oil from Kirkuk in northern Iraq to million belong to Turkey and 8.2 million are owned by Iraq. Turkey plans to refine the released oil and use it domestically, Mr. Sanberk

The 12 million barrels represent about four days' production by lraq in the period just before it invaded Kuwait. Analysts say that given the current depressed market and the fact that the oil has been in the pipeline for four years, its value would likely be about \$10 a barrel or a total of \$120 million.

Mr. Sanberk indicated that the one-time oil deal was also motivated in large part by his country's severe economic crisis, which follows the loss of about \$20 billioo because of the interruption of trade with Iraq and the pipeline's clo-sure. Turkey used to earn \$250 million a year from pipeline fees.

The Turkish deal also under-

scores the increasingly intense in-ternational competition to secure a favorable position in Baghdad for commercial activities once the UN trade embargo is lifted. French Italian, German — and reportedly American — oil firms have had discussions with Baghdad about future contracts.

These discussions come amid signs that three key UN Security Council members — Russia, China and France — are ready to support a partial or total lifting of the embargo on Iraqi oil sales.

A consensus is building among these and other countries that the embargo should be ended once UN officials declare that Baghdad has complied with UN requirements on the long-term monitoring of its weapons-building industry. The next review of sanctions is in May.



BLOCKED — Hanan Ashrawi, right, former spokeswoman for Palestinian negotiators, talking with West Bank Palestinians at a checkpoint after they were denied entry Friday into Jerusalem.

## 'Serious' Israel-Syria Talks Expected

TEL AVIV — Secretary of State Warren M. Christopher said Friday after talks with Prime Minister Yitzhak Rabin of Israel that he expected "serious" talks in Damascus on reviving Israeli-

Syrian oegotiations over the Golan Heights.

Mr. Christopher, with an agreement between Israel and the Palestine Liberation Organization on Palestinian self-rule well in sight after talks in Cairo this week, is to bring the Syrian president, Hafez Assad, new Israeli position papers on the Golan oo Saturday.
"I expect the conversations there to be as serious

and substantive as the conversations here." Mr. Christopher said at a news conference with Mr. "We've got a lot of hard work ahead of us." The Golan, which Israel captured from Syria in 1967, is at the heart of the disputes that have hampered progress between the sides since talks began in October 1991.

Mr. Rabin declined to divulge details of the

"peace package" that Mr. Christopher was to convey to Mr. Assad, but be said that it included

Israel's view of stages of a withdrawal.

Mr. Christopher is due to return to Israel on

# Bosnia Dilemma: Muslims in Sea of Serbs

By John Pomfret hington Post Service

SARAJEVO, Bosnia-Herzegovia - Admir Maslo looked up quizzically with his only eye
— an almond-shaped, chestnut-colored thing topped hy an eyebrow sprinkled with blood d thundered: "Flowers!"

Nine-year-old Admir, who shuffles imperiously around the ophthalmology clinic of Ko-sevo Hospital in Sarajevo in tattered slippers at least five sizes too big, was talking about his first home in Foca, once a predominantly Muslim city in southeastern Bosnia.

His clearest memory of his latest bome, Gorazde, is the blood be felt spurting from his right eye after a piece of shrapnel from a Serb shell tore through his eyelid on April 20 and gouged

Admir was evacuated from the eastern Bosnian enclave along with 264 other wounded people earlier this week after a cease-fire agreement and threats of NATO air strikes against Serb forces battering the town.

The boy's journey from a quiet village outside Foca to Gorazde and now to a crowded hospital ward in Sarajevo, highlight what appears to be impeding the establishment of peace in Bosnia: the presence of three enclaves, con-

EMMENDINGEN, Germany - In the latest outbreak of

violence against foreigners, a group of youths attacked and

injured two asylum-seekers, and arson is suspected in a fire

None of the nine Algerians were at home when their house

Witnesses told of seeing two men acting suspiciously near

in Kenzingen, in the southwestern district of Emmendingen, was gutted by a fire.

the house about 15 minutes before the fire broke out. The

at the bome of Algerian refugees, the police said Friday.

taining 100,000 Muslims, stuck in the middle of a sea of Serbs in eastern Bosnia.

The mostly Muslim Bosnian government will oot trade them away, saying that it must main-tain a footbold in an area where its people used to constitute more than 60 percent of the popu-

The Serbs will not tolerate their preseoce because they are seeking a state free of Muslim pockets and their serious security concerns. United Nations officials refuse to call openly for the enclaves to be emptied of Muslims because they refuse to be accomplices to Serb 'ethnic cleansing." But no one seems to know how to deal with these zooes, three of the six

ironically designated UN "safe areas."
On April 22, NATO took steps to force the Serbs to end their onslaught on Gorazde and prevent Serb attacks on other "safe areas" in Bosnia, especially Srbrenica and Zepa, the two other Muslim pockets in the east.

The "safe areas" were established early last year at a time when a cow-morihund international peace plan sought to keep Bosnia whole and prevent creation of a purely Serb state.

Srbrenica, Zepa and Gorazde all lay inside provinces that the peace plan earmarked as

2 Injured in Renewed Anti-Foreigner Violence in Germany

them with a knife before escaping.

■ British Neo-Nazi Attacked

Now, after another year of war in Bosnia, the international community has largely accepted the carving up of this country into two - a Croat-Muslim federation in the west and a Serb-controlled state wrapped around it to the north and east.

Such an approach raises questions about the long-term future of the eastern enclaves. The Serb attack rendered Gorazde, the largest and most economically viable of the eastern pockets, "a basket case," in the words of Peter Kessler, a spokesman for the UN High Commissioner for Refugees.

While UN officials recognize that the fate of the eastern enclaves is a key to any peace plan, they have not acknowledged that the logic of the current peace plan would clear them away.

"Certainly not," said Sergio de Mello, chief UN civil affairs officer for the countries that were once part of Yugoslavia, when asked if the United Nations was considering evacuating the "safe areas."

But then, in a sign of his and the United forov, said the two sides still had to Nations' understanding of the problem, he added: "We may, very much against our will, be of a proposed cease-fire before they obliged to move some people to safer areas."

In Griefswald, in Eastern Germany, several youths at- ed Press reported from London. Scotland Yard said he was

tacked two refugees from former Yugoslavia, 25 and 14 years hospitalized in serious coodition with head and neck inju-

# WORLD BRIEFS

U.S. Warns

That Serbs

May Start

**New Assault** 

By Steven Greenhouse

New York Times Sernce

Bosnian Serbs might be moving ar-

Mr. Christopher warned the Bos-

nian Serbs that the United Nations

and the North Atlantic Treaty Or-

ganizatioo might move vigorously

to discourage such an assault, which according to some reports would use artillery that has been withdrawn from the UN-declared

have in mind as we've moved

in this problem."

An administration official trav

with the United Nations to prevent

an attack around Brcko.

Bosnian Serbian offensive.

Mr. Christopher said the efforts by the United States, Russia, Eu-rope and the United Nations to hroker a cease-fire and overall

peace settlement "will be a remind-

er to both parties to stop the inces-

sant fighting and return to the ne-gotiating table."

Mr. Christopher also strained to show that NATO was not seeking

to favor one side or another in the

to prevail in a warlike capacity," he

■ Tough Job, Mediators Say

International mediators said Fri-

day that they faced an uphill task in

persuading Serbs and Muslims to

agree a truce in Bosnia, Renters

The newly formed "contact group" of Western and Russian

mediators met the Bosnian Serbian leadership in Pale outside the Bos-

nian capital Friday after talking

with the Muslim-led government,

but there was still no agreement on the terms of an overall truce for

The U.S. special envoy, Charles

th a Russian envoy, Alexei Niki-

Redman, who led the group along

could resume peace negotiations.

It was the third attack this month on members of the

A letter bomb exploded at the party's southeast London

beaten hy a masked gang in east Loodon.

party, which is putting up 30 candidates in local elections on

reported from Sarajevo.

"ft's not NATO's purpose to try

"safe area" of Gorazde.

nated government.

# Moscow Finds Spy's Sentence Harsh MOSCOW (AFP) — The life sentence given to the former CIA official

and Soviet spy Aldrich Hazen Ames was "too harsh," a spokeswoman for the Russian intelligence services said Friday, Itar-Tass agency reported. "I think that with the end of the Cold War and the improved world political climate, as well as for strictly humanitarian reasons, he should not have been sentenced to life," said the spokeswoman, Tatiana Samolis.
"No matter who Ames worked for, we think this was too harsh."

Mr. Ames, 52, was given a life sentence Thursday by a U.S. court for spying for the former Soviet Union and Russia since 1985; in return for payments totaling \$2.5 million.

### JERUSALEM - Secretary of State Warren M. Christopher Ulster Killings May Rise, Official Savs voiced concern Friday that the BELFAST (AP) — The killing of a former soldier by Irish Republican Army gummen has brought the death toll in Ulster this week to eight, and

tillery around the Serb-controlled Northern Ireland's police chief said the slaughter might escalate.

The increase in sectarian and political violence in the province comes town of Breko in oorthern Bosnia to prepare an offensive against ter-ritory held by the Mushim-domiafter a period of relative quiet and a three-day cease-fire by the IRA

earlier this month. "I don't see anybody stepping back from what they are doing at the moment," Chief Constable Sir Hugh Annesley said. "It will remain broadly as it is, indeed it may escalate." He was speaking before Eric Smyth, a 40-year-old former soldier, was gunned down outside his home in Armagh, 35 miles southwest of Belfast. The IRA said Friday that its gunmen killed Mr. Smyth.

### **Warsaw Warns on Effect of Strikes**

WARSAW (AP) — Poland's economic progress is under threat from a nine-day-old strike that has been spread by the Solidarity trade union. "One of the things we've had to Prime Minister Waldemar Pawlak said Friday.

through this situation is that they The strikes may "lead back into economic crisis, the closure of weaker plants, to the waste of all that we are achieving at such high cost," Mr. Pawlak said in the Sejm, the lower house of Parliament. He invited might move to another such area,"
Mr. Christopher said in Tel Aviv after talks on Mideast peace ef-Solidarity to join a commission of government officials as well as union and business representatives that is to develop an economic plan.

Brown-coal miners started the strike to protest government plans for restructuring their industry. They were joined by other coal miners and forts. "One possibility would be for the United Nations to designate

those areas, if they are attacked, as safe areas. The one thing you can be sure is that the United States then by Solidarity. It wants the government to abandon a wage-control plan, provide tax relief for needy families and carry oot agreements reached last year on the role of state workers in privatized companies. does not intend to relax its interest cling with Mr. Christopher said the United States had worked urgently

## Police Chief Slain Where Colosio Fell

TLIUANA, Mexico (WP) — Three unidentified gummen shot and killed Tijuana's chief of police less than a mile from the site where Mexico's leading presidential candidate, Luis Donaldo Colosio, was assassinated last month.

"There is a great deal of talk about developing a UN presence in Brcko," the official said, suggesting that such peacekeepers could be important for discouraging a new Decreion Section of Couraging José Frederico Benitez, director-general of Tijuana's municipal police force, died in a hospital Thursday night, 40 minutes after he was shot in the head and neck as he was riding in his car in the Mesa Otay district of the city, the authorities said. His bodyguard was also killed.

Mr. Renitez was being driven to the airport to investigate a report of a bomb. The motive for the attack was not immediately clear, but he was known to have been investigating drug-trafficking and police corruption.

## **Human Error Hinted in Japan Crash**

TOKYO (Renters) — Investigators of the crash of a China Airlines Airbus in Japan said Friday that they thought the plane probably crashed after losing speed while aborting a landing attempt, Japanese press reports said

Investigators spent a third day listening to eyewitness accounts and inspecting the runway at Nagoya airport where the Airbus Industrie A300-600R crashed on Tuesday, killing 263 of the 271 people aboard. Kyodo said investigators were becoming convinced that the accident was caused by pilot error.

They one believe the plane crashed after losing speed rapidly when Captain Wang Lo-chi pulled the plane's nose up while trying to abort a landing, Kyodo news agency and NHK television reported. Wimesses said they heard a roar from the plane's engines as it pulled up to about 45 degrees from horizontal. Also, debris was scattered over a relatively small area, indicating the plane had lost a lot of speed.

### Toll at 44 After Kenya Ferry Capsizes

MOMBASA, Kenya (Reuter) - A ferry carrying rush-hour commuters capsized near the Kenyan port of Mombasa on Friday, and rescuers recovered 44 bodies with an unknown number of people still missing, the

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A Kenya Ports Authority official earlier put the death toll at 70. The state-run Kenya Broadcasting Corp. said as many as 300 people were feared drowned on the ferry, which was taking communers from Mtongwe illage on the mainland to Mombasa island, five kilometers away. A police spokesman said 71 survivors were rescued by divers and

policemen, and rescuers who had recovered 44 bodies by Friday afternoon were continuing the search.

### Russian Upset by Bangkok Detention

MANILA (Reuters) — A beauty pageant contestant from Russia said Friday she was upset after being detained by immigration officials at Bangkok's airport, but said she would return to Thailand as a tourist.

Inna Sovoba, 20, who is in Manila to compete in the Miss Universe contest May 21, said she was kept in a windowless room at Bangkok airport "maybe for 24 hours" last week because she had no visa to enter

"I was shaken," she said. "I was really like in prison," When told Thailand was wary of Russian women because there are many Russian prostitutes in Bangkok, she said: "I heard about this. I don't know, maybe that's why they did oot give me a visa."

### 400 Casualties Reported in Yemen

SAN'A, Yemen (Reuters) — About 400 soldiers have been killed or wounded in two days of lighting between north and south Yemen armored units 50 kilometers from the capital, San'a, political sources said

headquarters on April 7, wounding an administration offi-cer, Alfred Waite. Last Saturday, Michael Davidson, 33, lost The battle involved about 200 tanks from both sides and was the worst an eye when he and another candidate were kicked and clasb since North Yemen and South Yemen merged four years ago, the sources said. The lighting was the latest provoked by a feud between President Ali Abdullah Saleh and Vice President Ali Salem Baid.

Tanks and artillery of the northern First Armored Brigade battled the southern Third Armored Brigade around the town of Amran. The situation at the battlefield, on a plain flanked by mountains north of San'a, is oow quiet but tense, the sources said.

# LARA: Pasternak's Mistress, Odds Still Against Her, Is Waging Her Final Battle Against Bureaucrats in Moscow

### Continued from Page 1

poured over Pasternak in 1958. when I stood oear him and sup-ported him in his terrible trials," she wrote this month in an open letter to President Boris N. Yeltsin. "Twice I was sent to the gulag, and today I can no longer abide such demagogy.

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want to leave this life insulted and

Pasternak and Miss Ivinskaya met and fell in love in 1946, when he was 56 and she 34. For much of the rest of his life, the author would spend nights with his wife in their dacha at Peredelkino, near Moscow, and in the morning walk to the smaller dacha nearby where Miss lvinskaya waited.

When traveling, he wrote letters to Miss Ivinskaya pledging his un-dying love. "I am bound to you by life, by the sun shining through my window, by a feeling of remorse and sadness, by a feeling of guilt."

"I hold you to me terribly, terribly tight, and almost faint from tenderness, and almost cry." In 1949, because of her associa-

"I am 82 years old, and I do not tion with him, she was sent to the turess who seduced him and tried vilified, jailed, killed or hounded gulag for the first time, for four years of hard agricultural labor. Their child was stillborn in prison.

Just before ber return, Pasternak told Miss Ivinskaya's 15-year-old daughter, Irina, that he was ready to break off the affair, speaking with what Miss lvinskaya later de scribed as his typical "mixture of candor, guileless charm and unde-niable beartlessness." But he changed his mind, and their relationship continued until his death.

Sympathizers of Pasternak's wife, and many intellectuals in his circle, derided Miss Ivinskaya as a gold digger and a seductress, the cholar Victor Erlich recalled.

"She's been judged very harshly, and unfairly," said Mr. Erlich, professor emeritus at Yale University. "The notion that she was an adven-

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to profit by his fame -- I don't buy "At a certain period she gave Pasternak a great deal of joy," he said. "And whatever can be said

old, on Thursday. The police said the attackers sprayed a

mace-like gas at the refugees and slightly injured both of

Mike Newland, spokesman for the oeo-Nazi British Na-

tional Party, was bound, gagged and severely beaten Friday

hy three men armed with a hammer and clubs, the Associat-

against her, she suffered because of Nor is there any dispute, according to Josephine Woll, a professor at Howard University, that Miss fvinskaya served in large part as the model for Lara in what Mr. Pasternak saw as his masterpiece.

An early supporter of the Bol-shevik Revototion, Pasternak oever went into ontright opposition. But as Stalin's terror unfolded in the claim, but not in Russia. When Mr. 1930s, the author refused to be- Pasternak was awarded the Nobel come a sycophant. He stopped cre- Prize in Literature in 1958, the Soating altogether, earning his living viet establishment hounded him for years as a translator and enjoy- into renouncing the award. ing a mysterious immunity as most of Russia's other great writers were fell ill for the last time. On May 30,

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Still, hy the time he met Miss Ivinskaya, Pasternak had resolved to write a govel that would capture the truth of his time, the story of one individual uoable to come to terms with the barrenness of revolution. The martinets who controlled the Soviet book industry could not bring themselves to reject the book, but they also dared not publish it. It confused the regime because it was oeither pro-Soviet

nor anti-Soviet but apolitical. In the end, the novel was published abroad, to great critical ac-In the spring of 1960, Pasternak

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he died - exhausted, Miss Ivinskaya believed, by unending attacks On Aug. 16, the KGB ransacked Miss Ivinskaya's apartment and took her and her daughter to Lu-bianka, the dreaded secret-police

Miss Ivinskaya's interrogators accused her of turning Pasternak against his country, of profiting from his foreign sales.

Russians never returned.

beadquarters from which so many

Io the end, her daughter spent two years in the camps, while Miss Ivinskaya spent an additional four. Io 1988 - the year "Doctor Zhivago" was finally published to Russia -- Miss lvinskaya and her daughter were "rehabilitated," the state's acknowledgment that their arrest had been unjust. But Miss Ivinskaya's documents remain in government hands.

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Military Rases

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### TRAVEL UPDATE

Denver's new airport is still expected to open May 15, city officials said despite a request from United Airlines to delay the opening because of glitches in the airport's computerized baggage system. World airlines have reported a helty rise in first-quarter passenger

figures, and the International Air Transport Association said Friday that this could help the money-losing industry toward a recovery. (Reuters) Experts forecast a Middle East townist boom when a peace treaty is

signed, and urged Arab countries to join up with Israel to resp the dividend. The conference in Lebanon was told that Middle East tourism would grow 4 perceot a year until the year 2000.

A vintage car rally from London to Paris will help mark the official opening of the Channel Tunnel next month, organizers said. (Remers)

About 5.8 million foreigners visited Thailand in 1993, a 12.2 percent increase over the year before, Radio Thailand reported.

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# THE AMERICAS / ADDEGT



Treasury Secretary Lloyd Bentsen firing an assault rifle at a Washington police training center to demonstrate the power of such guns. He is backing a bill in Congress that would ban the manufacture, sale or possession of 19 models of semiautomatic weapons.

# Street-Legal Arms Widen Gun Debate

By Stephen Braun

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**表现面题** 

Los Angeles Times Service MIAMi - The men of Wilbur Enterprises are never at a loss for firepower. At work in their fortified office, out on a job in their company trucks, off for a night on the town. they dress for the occasion and they always

Loaded guns can be found, in desk drawers and under counters, throughout the construction company's warehouse in oorth Miami, Inside his waistband, the boss, Blair Wilbur, 67, keeps a .38-caliber Smith & Wesson re-volver. One son who works at the company regularly carries a pistol. Another keeps a shotgun in his pickup truck. Even the compa-

ov's 71-year-old goler totes a revolver. "I took a date out one night, and I had the .38 in my shoulder holster." Mr. Wilbur said. "I asked her if she had o problem with me carrying a gun. She says no, she's used to it. Everyone in Miami's used to it. That's probably because everyone's carrying."

In a country where city streets are seen as stalking grounds for violent offeaders, the pervasive fear of crime that once impelled Americans to buy guns to secure their homes now persuades growing oumbers to take fire-

According to a Los Angeles Times poll in inflaming minor encounters into shoo touts?

By Martin Tolchin

New York Times Service

tion of fresh air in airline cubins

since the mid-1980s poses no harm

according to a study commissioned

by the airline industry. The study

"Both older aircraft, with an all-

fresh air system, and newer aircraft

Transport Association, which fi-

came under immediate criticism.

WASHINGTON - The reduc-

January, 22 percent of the residents of gunowning households said that they sometimes carried their weapons outside for protection - substantially bigher than the 13 percent who said they did so in a 1981 Times survey.

Law-abiding guo owners who want to carry a weapon are often forced to act like secret gunslingers - hiding pistols in purses, pockets and car glove compartments - 10 avoid arrest under local and state laws.

But in recent years, those prohibitions have begun to fall. Since 1987, Florida and nine other states have passed laws making it casier for residents to carry guns.

"More and more people are realizing that the police woo't be there when you need them," said Jeffrey Snyder, a Washington lawyer who has become a talk-show apostle for the concealed weapons movement, "Your life is either worth protecting or it's not. And if it is, it's worth protecting all the ome."

The prospect of more Americans arming themselves against street crime is recasting the debate that has raged for years over the presence of guns in almost half of the natioo's

As more guns are carried legally by Americans, will they provide a strong deterrent to crime? Or will they provoke more bloodshed,

Canned Air in Jetliners? Fine, Study Says

nanced the study and represents gienist with the National Iostitute

Virginia consulting firm that con- agency's standards and those of the

ducted the study for the industry. Occupational Safety and Health tested the air in jetliner cabins dur-

Those standards were meant to

protect people in the workplace, he

noted, but airplanes serve the gen-

eral public, which requires more

stringent rules because passengers

include infants, the elderly and dis-

A case in point were carbon di-

oxide levels as high as 1,395 parts

per million. These were well below

the Occupational Safety and

Health Administration's maximum

of 5,000 but above the limit of

1,000 parts per million set for the general public by the American So-

ciety of Heating, Refrigerating and

In the 1980s, airlines in the Unit-

ed States reduced the amount of fresh air circulated in the cabins,

from 100 percent fresh air pumped

in every three minutes to half fresh

air and half recirculated air every

The industry says the reduction

of fresh air saves about \$60,000 per

jetliner each year because less fuel

Since the change was introduced.

some flight attendants and passen-

gers have complained of head-

aches, nausea and other health

problems, especially after long

lights. Many attribute the prob-

The industry group's study disputes this claim. "Results of the

study did not reveal a potential for human health hazards," said Dr.

Jolanda Janczewski, president of

Consolidated Safety Services Inc.

lems to the reduced ventilation.

Air-Condidonal Engineers.

six or seven minutes.

s peeded to cool the air.

abled people.

ing 35 ilights without noutyte

offices and factories.

airlines or the crews. It found that

the air quality met sederal health

and safety standards for workers in

But a spokesman for flight atten-

Aaron Sussell, an industrial hy-

Seven years after the Florida legislature passed a sweeping permit system allowing law-abiding citizens to carry concealed weap-ons, Miami and surrounding Dade County have become the proving grounds for these

The emerging verdict here offers little com-fort to either side. The defensive currying of guns has not resulted in an upsurge in violence, but neither has it demonstrably reduced the city's crime rate or helped to quell

At last count, 27.636 Dade County residents were licensed to carry guns. For most of, these people, the moment of truth may never come. According to Richard Bohan of the Miami Police Department, justifiable guo defenses by civilians account for I percent to 4 percent of the deaths his unit investigates each year.

Gun-rights activists respond that a drop in. Miami's violent crime shows the real impact that gun defenses can have. Last year, robberies dropped to 6,930 from 7,077 in 1992, and reported rapes fell to 305 from 403.

But murders remained unchanged at 131. and police officials note that the liberalized permit law was in effect in the late 1980s. when the city's violent crime rate was higher.

hearing," said Mr. Landry of the

The older aircraft were a Boeing

727 and McDonnell Douglas DC-

9, and the oewer aircraft were a Boeing 757 and a MeDonnell

The newer aircraft generally had

a higher level of contaminants than

the older aircraft, but these were

still within the range allowed by the

Labor Department's Occupational Safety and Health Administration

and the Public Health Service's Na-

tional Institute of Occupational

Safety and Health, the study said.

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# Tobacco Firm Halted Nicotine Study

By Philip J. Hilts
New York Times Service
WASHINGTON — Scientists at Philip Morris Co. found evidence Il years ago that a substance in cigarettes increused the addictive power of nicotine, but the research was halted by the tobacco company and efforts to publish that and other work were blocked, according to

testimony by two scientists at a congressional hearing.

The researchers, Dr. Victor J. DeNoble and Dr. Paul C. Mele, who left the company after their laboratory was abruptly shul down, also said that they and colleagues at Philip Morris had made another striking discovery at the time: an artificial version of nicotine that seemed to have few of the toxic effects on the heart that the natural substance in rigarettes has.

Dr. DeNoble said that, before it was curtailed, his research had led him to believe that nicotine alone was addicting "on a level compara-ble to eocaine."

He also revealed that he had identified for the first time another psychoaetive and possibly addictive substance in tobacco besides nicoune. It is acetaldehyde, a natural product of hurning sugars and other materials in the tobacco leaf.

Under quesooning, the scientists acknowledged that their findings bad been preliminary and tentative, but they had been excited by where their research might have gone had it not been suppressed. The two men painted a picture of

a company that started an ambitious research program in the 1970s to learn everything it could about nicotine and its effects on the body. The purpose was that someday the company could modify or replace the nicotine in eigerettes with lessharmful substances.

The work was to be so secret that the animals used to the research were brought into labs at night, under covers, and the work was oot discussed with fellow employees.

Both of the discoveries were "scientifically significant and exciting and need to be followed up," Dr. Jack Henningfield, chief of pharmacology research at the National Institute on Drug Abuse, said in an

"The idea of increasing addicti-veness by combining il with some-thing else is something that I don't believe we have any other clear example of in science," he said. Someone should take the hall of the research now and run with it." A spokesman for Philip Morris,

Steve Parrish, said io an interview The study was made public after the researcher's appearance Consolidated Safety Services, 8 study had improperly used his irginia consulting firm that concrete the study for the industry.

Occupational Safety, said the Thursday in anticipation of contract of the study had improperly used his gressional hearings on the issue been withheld for proprietary reactions agency's standards and those of the study for the industry. by the aviation subcommittee of Dr. De Noble had said. the House Public Works and He said the hearing w He said the hearing was "sbame-

"We thought it was important to do, leaked documents, convenientget this study out in odvance of the ly chaoged opinions, scientific sensationalism Dr. DeNoble and Dr. Mele testi-

The study measured contamified before the House subcommitnants aboard 35 flights involving tee on health and the environment two older planes that provided 100 after Philip Morris had freed them from a lifelong agreement not to percent fresh air and two newer discuss their research without the ones that provide 50 percent Iresh company's permission.

They were freed from the agree meot at the request of the panel's chairman, Representative Henry

of the seven major tobacco companies. On Thursday. Dr. DeNoble and Dr. Mele contradicted some of what the executives said.

Dr. DeNoble said that he was threatened with legal action by company everupies if he published or talked about his nicotine research, contradicting the account given under oath by the chairman of Philip Morris, William I. Campbell, two weeks ago.

Mr. Parrish said that even that their work gave "strong evidence" in 1983 that nicotine might

key researchers at a Philip Morris laboratory in Richmond, Virginia, from 1980 to 1984. By 1983 the studies began to generate unwanted evidence - like early studies role of nicotine in cigarettes." indicating nicotine was addictive - that might bave caused the com-Thursday.

Dr. DeNoble said be was told by Philip Morris research executives on the heart. "that the lah was generating information that the company did not want generated inside the company, that it was information that would not be favorable to the company in litigation."

The company instructed the researchers that they could not dis-rettes it must be shown that nico-

A. Waxman. Democrat of California.

Then, on April 5, 1984, they were abruptly told to halt their studies. The amount of nicotine in cigarettes testimony from the chief executives kill all the laboratory rats and turn time is addictive and that tobacco companies intentionally control the amount of nicotine in cigarettes to maintain smokers' addiction. in their security badges.

> to the New York headquarters of Philip Morris, where an executive wondered how their work would affect the company: "Why should we risk a hillion-dollar husiness for some rats' studies?"
>
> Dr. David A. Kessler, the com-

missioner of food and dnigs, said Thursday that the testimony about dozens of suppressed studies showed "an extensive and sophistithough the researchers had testified cated research program concerning the addictive potential of nicotine. "This research, suppressed by the company for a decade, demon-

be addicting it did not prove it.

Dr. DeNoble and Dr. Mele were the company in the company's interest in the pharmacology of nicotine," Dr. Kessler said, "and the information in this testimony is critically important to our oogoing inquiry into the Especially interesting, he said,

was the testimony that the compapany trouble if disclosed in a law-ny wanted to find an artificial nicosuit, the researchers testified tine that would have the addictive and intoxicating properties of nicotine without its dangerous effects Earlier this year, Dr. Kessler said

that for the first time the Food and Drug Administration was ready to regulate cigarettes as addictive drugs, something the agency had avoided for decades.

One important measure of a The researchers also told of a trip drug's addictive potential is whether a laboratory animal will work hard pressing a lever to get the drug. Nicotine will get a rat to press a bar steadily, more than 100 times an hour, and Dr. DeNoble found that the animals will do the same for acetaldehyde, though they will not do so for water or saccharin or other favored substances.

> Dr. DeNoble said he was surprised to find that when he gave the animals a chance to have both nicotine and acetaldehyde together, the rats tripled their bar-pressing to more than 500 times a hour. He said that his work on the rats was cut off before he could establish more than the single indicator that acetaldehyde was addicting.

> The other discovery he reported Thursday was the finding of a nicotine-like substance called 2 methylnicoune, a synthetic chemical that causes animals to behave as if they were getting a nicotine high hut without signs of beart distress like a rapid heart beat that usually comes with nicotine.

Other researchers have since found several similar nicotine-like substances that act in the brain, Dr. DeNoble said, but Philip Morris dropped any attempt to see if these To establish control over ciga- could be used to make a safer ciga-

### 24 Expelled at Naval Academy

WASHINGTON - Navy Secretary John H. Daiton ordered 24 U.S. Naval Academy midship-men expelled in the biggest cheating scandal in the school's history, ending a wrenching 16-month investigation of the venerable military institution in Annapolis,

Mr. Dalton ordered that two other midshipmen who had been recommended for expulsion receive lesser punishment. Officials would not say why Mr. Dalton agreed to allow the two midshipmen to graduate next month and prohably receive their navy commissions later this year.

Navy officials withheld the names of those expelled from the 4.100-student academy, eiting privacy considerations. But sources said six of the midshipmen separated from the navy were mem-bers of the varsity football team. Officials said Mr. Dalton decided that the 24

expelled midshipmen would not be required to repay the ocasiemy for their educations, which cost as much as \$90,000. Nor did he order them to serve for three years in the enlisted ranks. Current seniors will be allowed to finish their spring courses but will oot get academy degrees. "Separation from the ucademy without a com-

mission or degree was thought to be enough" punishment, said Lieutenant Bill Spann, a navy

Brian Pirko, 21, one of the expelled midshipmen, said he was "very upset" but not surprised by Mr. Dalton's actions.

The 26 midshipmen Mr. Dalton reviewed were among 134 seniors implicated in the December 1992 incident, which led to harsh questions from Congress and the naval inspector general's office about the academy's moral training programs. Those investigations also faulted academy officials for reacting too slowly when the cheating first was disclosed and aopearing to play favorites, especially with members of the fontball team.

### Calls Clinton Would Like to Make

WASHINGTON - President Bill Clinton says he once headed for a phone to call his mother, Virginia Kelley, before remembering that she had died, and wished just this week that he could talk to Richard Nixon to ask advice.

Mr. Clinton called the CNN program "Larry King Live" on Thursday night during an interview by Mr. King with James Morgan, who wrote the book "Leading With My Heart" with Mrs. Kelley and her husband. Dick Kelley. Mrs. Kelley died of

hreast cancer Jan, 6,
Mr. Clinton said he wished he could talk to his mother, and almost telephoned her one night after he returned from a trip to Russia and Europe sonn "I went into the kitchen and got halfway to the

phone before I realized that I couldo't call her." he said. "It was almost like a shock. A lot of people who lose a mother or father or husband or wife will tell you that they find themselves almost talking out loud. I do that a lot."

He said he had o similar feeling Thursday about Mr. Nixon, whom he eulogized at his funeral

Wednesday. "I'm very grateful to him for the incredibly wise counsel he gave me in the last 16 months," Mr. Clinton said. "Fraokly, just today l had a problem, and I said to the person who was th me'l wish I could pick up the phone and call Richard Nixon and 8sk him what he thinks we ought to do about this." "

### **Quote/Unquote**

Aldrich Hazen Ames, a former CIA officer: "I volunteered to the KGB information identifying virtually all Soviet agents of the CIA and other American and foreign services known to me. To my enduring surprise, the KGB replied that it had set aside for me \$2 million in gratitude for the

### dants criticized the study oo the that have a combination of fresh ground that air quality standards and recirculated air, meet or exceed for offices and factories are not standards that are designed to insure a healthy environment," said appropriate for judging the crowd-

 Almost 23 million Americans live in places that do not meet federal standards for pollutants like soot and acid serosols, the suff that produces haze in the air, the American Lung Association said. Those people - 9.1 percent of the population in 16 counties across the country, including Los Angeles and Denver - are at risk for

Jim Landry, president of the Air ed confines of a loaded airplane.

A woman who carried a revolver in her purse was wounded when she dropped the bag. Janis Wylie, 38, was in serious condition with a

annual reports on the number of murders, rapes, robberies and other erimes that occur on eampus, under new federal regulations published to the Federal Register. "Encouraging students to pursue high quality post-secondary education is an important element of the national education goals," the regulations say. "A safe campus

by the year 2000 if the gap in the U.S. infant mortality rate continues to widen, federal health officials warned. The risk of dying before age I for blacks was twice that of whites in 1960, the Centers for

### **Away From Politics**

respiratory diseases and other health problems from the pollutants,

chest wound after her .38-caliber revolver went off in the court building in Glendale, Arizona, where she works. She had been carrying it because she feared ber former husband, the police said. · One-third of physicians' private practices do oot offer health coverage to nurses, receptionists and others running their offices according to an American Medical Association study. But many of them buy coverage on their own or are covered through their spouses' policies. Only 11 percent of all medical workers are uninspouses poncies. Only 11 percent of an incoreal workers are indu-sured, compared with 16 percent of all Americans too young for Medicare.

environment fecilitates such education."

Black behies will be three times more likely to die than white babies

• Colleges and universities must provide students and staff with

• Wisconsin's more than 60,000 teachers will have to undergo background checks under a new state law to keep child molesters out

Disease Control and Prevention said. The disparity is greater now.

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By John Tagliabue New York Times Service

ROME - Sergio Cusani, the Italian money manager accused of being one of the central Culprits in the collapse of Italy's Ferruzzi industrial group, has been convicted and sentenced to eight years in orison. The six-month trial dramatized for millions of Italians the maze of graft and corruption that enveloped the country's business and political leadership in recent

In passing sentence late Thursday, a panel of three judges in Milan added a year to the sevenyear sentence demanded by Antonio Di Pietro. the anti-racket investigator who was also the trial prosecutor. The court also imposed a \$10,000 fine and ordered Mr. Cusani to pay damages totaling \$91 million to two Ferruzzi

Mr. Cusani, a 45-year-old Neapolitan nobleman, was found guilty of falsifying corporate balance sheets, misappropriation of funds, and violating laws that regulate the financing of political parties.

The defense lawyer, Giuliano Spazzali, said he would appeal the sentence. The defendant was in custody for five months before being tried, and will remain free pending the appeal.

In passing sentence, the judges generally adhered to the prosecution's view that Mr. Cusani was responsible for defrauding Ferruzzi of \$91 million, \$14 million of which was passed in bribes to politicians, most notably the former

Continued from Page 1

moving to the hospital, where he quipped to staff: "You have to ad-

After his fall last November.

when he took nine days to recover

sufficiently to appear in public wearing a soft cast and a sling, he

also sought to make a joke of his

health problems and the specula-

tion they inspire. "I'm all in one piece — I'm not dead yet," he said.

Nonetheless, then as now, the

Pope's accident inspired the Vati-

can to quickly deny any suggestion

kind of fainting or temporary loss

Ethiopia Claims Seizure

Of Muslim Rebel Base

ADDIS ABABA, Ethiopia

Defense Minister Seye Abraha said

Friday that Ethiopian government

forces cracking down on Muslim

fundamentalists bad seized their

main base in the east of the coun-

Mr. Seye said at a news confer-

ence that the measures taken last

week against the Unity movement

in an area northeast of the eastern

Ethiopian town of Ogaden was oot

a major offensive.

mire my loyalty."

of consciousness.

Socialist leader Bettino Craxi, to smooth the 1990 takeover at a hugely inflated price of a Ferruzzi company by the state-owned ENI chemical group. After details of the bribes emerged last year, Raul Gardini, head of Ferruzzi, killed himself.

But the sentence, which was read by Chief Judge Giuseppe Tarantola, also accepted as proven that \$600,000 of the money was paid to the Italian Communist Party for legislative fa-

Io an impassioced hour-and-a-half plea, Mr. Cusani asserted his innocence and said he had been made a scapegoat for the crimes of others. You needed a face, a physical person, to put on trial," he said in the televised plea. "I was

perfect because I would not collaborate and I was a friend of Craxi's." Mr. Cusani accused the prosecutioo of having provoked Mr. Gardim's suicide by what he said were oppressive investigative techniques

that included long preventive detention.

The trial, which went through 51 sessions, provided Italians with something like a complete documentation of the Ferruzzi case, which attorneys on all sides have characterized as the boldest of all those that have come to light in

Italy's wave of scandals. It was also the first sentence to be handed down, and as such was seen as bolstering the

efforts of Mr. Di Pietro. ■ Berlusconi 'Optimistic'

**POPE:** John Paul Has Operation on Thigh After Fall

consciousness or faintness, before

or after the fall," Mr. Navarro-

right femur, the thigh bone, to be fractured and dislocated at the

Dr. Emilio Tresalti, the medical

director of the hospital, called the

injury a "classic fracture" that could "happen to anyone."

"The Pope's general condition is excellent," Dr. Tresalti said before

the operation. "It is a complicated

operation only because of its na-

ture." Vatican officials said the

Pope lost some blood during the

surgery, but did not require blood

Gianfranco Fineschi, who led the

surgical team that performed the

operation. "His hip won't be like God made it, but like a bioengineer

As the most-traveled pontiff in

history, John Paul has found his

journeyiog slowly curtailed by bealth problems. After his surgery

in July 1992, he cut short a Carib-

bean visit, and his subsequent voy-

ages have been conducted at a far less hectic pace than in the early

eve of a planned weekend visit to

made it. But he'll heal."

The Pope will heal," said Dr.

point where it joins the hip.

He said X-rays had shown the

Valls said.

Prime Minister-designate Silvio Berlusconi was optimistic Friday that he would rapidly

"I absolutely exclude any loss of celed, as has a projected trip to insciousness or faintness, before Belgium from May 13 to 15. In

days of his papacy.

The latest accident came on the in recent weeks to increasingly irate

eve of a planned weekend visit to tirades against population control Sicily, which has now been can-measures, including abortion.

MOVING

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BARCEONA

early June, the Pope is scheduled to receive President Bill Clinton,

whom he first met during a visit to

Mr. Clinton is scheduled to visit

Italy to commemorate the Allied

landings at Anzio and Nettuno

during World War II.
While the Pope's brushes with

health problems appear to have be-

come more frequent in recent

years, he has usually recovered well

so as to return to his packed sched-

Vatican officials ascribe his resil-

ience to a love of outdoor pursuits

- skiing, mountaineering and

swimming - that has endured

since his youth. Dr. Fineschi said

Friday, however, that the Pope's

skiing days were over, "He will not

limp, but under no circumstances

can he ski or mountain climb. Even

if the Pope were 20 years younger, I

Priests who have met him in the

past few weeks say he seemed tired

and deflated, pumping up energy

only when inspired by the particu-

lar emotions of meeting children or

greeting pilgrims from his native

would be saying the same thing."

Denver last year.

form a government with ocofascist and federalist allies despite skirmishes over the key job of interior minister, Renters reported from Rome.

"I'm fairly optimistic," the media magnate said before talks with his allies in the conservative Freedom Alliance, which he led to victory in the March general elections.

Berlusconi on Thursday to form Italy's 53d government since World War II, three mooths after the tycoon entered politics.

Mr. Berlusconi's optimism masked tensions with the federalist Northern League, which is claiming the Interior Ministry in return for supporting him. The ministry controls the police and security apparatus and is an important power base in Italy.

"There aren't any problems that cannot be overcome," Mr. Beriusconi said before the talks began at his Rome house. "There isn't any disagreement with the League over the government program, and that's the most important

The Northern League's leader, Umberto Bossi, was adamant that he wanted the ministry to go to his party and told reporters he had the clout in Parliament to back up his claim.

"We have the relative majority of seats in the Freedom Alliance," he said. Mr. Bossi has previously said that the League, which has 109 of the bloc's 366 lower house seats, might opt "in the extreme" to support the new government

### Leg Fracture Is Just Latest of Health Woes

The Associated Press ROME — Pope John Paul Il has had these injuries and other health problems:

• May 13, 1981: Shot in the abdomen and hand by a Turkish gunman in St. Peter's Square. He spent 20 days at a Rome hospital after surgery.

• June 20, 1981: Hospitalized for infection linked to the wounds. He underwent an op-eration Aug. 5 and was discharged Aug. 14.

• July 15, 1992; Operation

for benign tumor on colon. He left the hospital July 28. Nov. 11, 1993: Dislocated his right shoulder in a fall at a Vatican reception. He underwent an operation and left the

hospital after an overnight • April 29, 1994; Taken to a hospital after breaking and dislocating his right thigh booe.

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# Will Rally On May Day President Oscar Luigi Scalfaro asked Mr. erlusconi on Thursday to form Italy's 53d

MOSCOW --- Some of President Boris N. Yeltsin's political opponents announced plans for May Day demonstrations, saying Friday that a political truce signed the day before was meaningless.

The U.S. Embassy warned Americans in Moscow to stay away from the demonstrations Sunday for fear of violence. Authorities said thousands of policemen were being brought into the city to control the crowds on the traditional labor day.

One police officer was killed in a clash with protesters on May Day last year, and hundreds of people were injured as marchers armed with stones and metal rods fought the police.

Mr. Yeltsin and his allies signed a political truce with some of his opponents in a nationally televised ceremony in the Kremlin on Thursday. The so-called Civic Accord. timed to come just before May Day, contained a pledge by all sides not to use violence for political

The 245 signatories ranged from Russia's Choice, the largest pro-Yeltsin coalition in parliament, to such little-known groups as Wom-en of the Navy and the Society of Private Detectives.

But several of Mr. Yeltsin's bitter foes did not join the truce. For-mer Vice President Alexander V. Rutskoi, who has announced plans to form a united opposition to Mr. Yeltsin, did not attend the signing

The chairman of the revived Communist Party, Gennadi Zyu-ganov, appeared at the ceremony in the regal St. George's Hall but did not sign the agreement. Mr. Zyuganov urged his sup-

porters to gather Sunday on Tverskaya Street, formerly Gorky Street, a busy thoroughfare now lined with stores selling Western cosmetics. fashions and fast food. At least two other pro-Commu-

nist rallies are planned. Organizers pledged the protests would be nonviolent, and the government has authorized them. The U.S. Embassy, however, ad-

vised Americans "to exercise caution while traveling in the city to ensure they do not become in-volved in these or any other demonstrations."

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overgence, about as squar, society, burge garden, plus shore of large house. 10 pseudes Amsterdom carter, from May till September. For more information fax: +31 2507 12935 M.

# ASIA: High-Tech Helps Pocket Navies Pack a Bang

Continued from Page 1

China, for a share of the lucrative Asian arms market," said Paul tegic region." It has six modern Dibb, head of the Strategic and corvettes and a dozen fast attack Defense Studies Center at the National University in Canberra. The focus of security concerns in

Southeast Asia has shifted from the land to the sea following the end of Communist insurgency and the growing importance of maritime trade, offshore resources such as oil, gas and fisheries, and disputed claims to sovereignty especially over the Spratly Islands in the South China Sea between Vietnam, China, Taiwan, Malaysia, the Philippines and Brunei. "There is a sense of strategic un-

certainty in the region," said Amitav Acharya, coordinator of a security project at the Center for Asia-University of Toronto and York two decades. University in Canada.

Mr. Morgan said that of the jib Razak, said the new craft would

Southeast Asian countries, Singa-pore had come closest to "obtaining true sea control over its geostracraft, with six more planned.

Singapore's defense minister, Yeo Ning Hong, said earlier this year that the island state would get additional advanced fighters, maritime patrol aircraft, mine-countermeasure vessels and other hightechnology weapon systems to protect its territory and vital sea

lines of communication. Malaysia has two modern corvettes and eight fast attack craft equipped with missiles, and plans to acquire two more corvettes. Under a separate contract very

likely to be concluded later this year, Malaysia will spend about \$1.6 billion to build 27 advanced Pacific Studies run jointly by the naval patrol vessels over the oext

Malaysia's defense minister, Na-

he designed to carry anti-ship and anti-aircraft missiles, although such weapons might not he installed immediately.

Indonesia, the world's largest archipelago nation, has 2 dieselpowered patrol submarines; 17 frigates, with 19 more under con-

struction; and 9 fast attack craft, with 6 more being built. Sixteen corvettes of the defunct East German Navy that were bought from Germany are now be. ing upgraded before entering ser-

The armed forces of Singapore Malaysia and Indonesia hold regular bilateral exercises. Analysts said they were not involved in an arms race with each other. The U.S. Navy also holds maneuvers with

the navies of the three nations. America's Pacific fleet comprises mainly large naval vessels, includ-ing aircraft carriers, destroyers, frigates and amphibious ships.

### VOTE: 2 Rivals Call Process Fair

Continued from Page 1

voters who waited hours, in some cases days, to cast their ballots. The voting, which began Tuesday, was extended for a day to accommodate rural black areas

where distribution of voting materials had been particularly slack. Figuring out just how many vot-ed will be an exquisite conundrum. The combination of a huge turnout, a likely underestimate of the eligible electorate, and improvised vot-

ing procedures that hobbled the defense against ballot stuffing and other electoral mischief has led some analysts, only half-jokingly, to forecast a turnout in the 110

The culture of full electoral participation is so powerful in a country that waited three and a half centuries for its first democratic election that on Friday morning residents of two violence-ridden townships east of Johannesburg showed up at locked polling places and threatened the lives of election officials if they did not allow them to vote.

The officials complied, even though the stations were not supposed to be open an extra day. The ballots cast there on Friday will be counted separately, and election lodges will decide if they are valid.

In the rural areas where the extra day was authorized, voters came mostly in dribs and drabs; apparently the vast majority had already voted, despite the glitches earlier in

"We had to do some doubledancing," said Peter Matshitse, an definitive result until early oext election official in rural Venda, week.

where voting had been hampered. Pact on Economy for two days by the fact that too many regional ballots and too few national ballots had been deliv-

The distribution snags led to numerous improvisations nationwide including the rushed printing of 9 million extra ballots without normal security procedures. Every voting complication will now become

a counting complication.

But before the count begins, the ballots in the boxes have to be reconciled with the stubs in the polling places.

We expect that in some case the oumbers will not balance," said an Electoral Commission member.

The Electoral Commission has made it clear will hold the whole election process to less than exacting standards. Since Mr. Mandela's African National Congress is expected to win by a wide margin, it seems inconceivable that even a large number of disputed ballots could affect the outcome. But there is a good chance that

there will be a major political dis-pute over the ballots in KwaZulu-Natal Province, where there is a three-way race between the African professional criteria, National Congress, the Inkatha Freedom Party and the National Party. It might force a repeat of the voting, or a oegotiated political set-The Electoral Commission was

to start counting ballots at 7 A.M. Saturday in about 700 counting stations. It has said it hoped returns would start to trickle in later in the day. Skeptics are not expecting a

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Continued from Page 1

obtained a number of exemption allowing them to lower or drop rates for limited quantities of goods from Arab oations and for goods from elsewhere if these are needed for development, such as construction materials and agricultural ma-

· Borders: There will he free movement of goods and people be-. tween the regions. Two customs authorities will jointly operate.

• Fuel: Fuel is treated separately because Palestinians are likely to receive low-cost Arab oil. Under the agreement. Palestine gasoline prices cannot undercut Israeli prices by more than 15 percent.

· Tourism: A tourism administration will he set up. Tourists can move freely between Israel and the areas under Palestinian authority; tourist agencies can operate in all areas provided they comply with

Mr. Ourie stressed that the reement concerned all occupied Palestinian areas, not only the Gaza Strip and Jericho. But it would only he applied to other occupied territories as they were evacnated by Israeli troops, He said the Palestinians were

looking forward to new relations of common interest rather than dependency in their economic ties with Israel.

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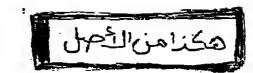
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DALAI LAMA IN BONN — The Tibetan leader being greeted Friday by Otto Lambsdorff.

# China Outraged by Clinton Meeting Beijing Calls Talks With the Dalai Lama 'Interference'

Compiled by Our Staff From Disputches BEIJING — China sharply criticized President Bill Clinton and Vice President Al Gore on Friday for meeting with the Dalai Lama, Tibet's exiled spiritual leader, accusing them of a "serious interference" in China's internal affairs.

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An angry Foreign Ministry statement said, "We demand that the U.S. side live up to its commitments on recognizing Tibet as part of China's territory, abide by the basic norms governing international relations, set store by the overall interests of Sino-U.S. relations and refrain from taking actions interfering in China's internal affairs and hurring the feelings of the Chinese people,"

Mr. Clinton and Mr. Gore met with the Dalai Lama on Thursday and discussed religious and cultural rights in Tibet with the Dalai Lama, the 1989 recipient of the Nobel Peace Prize, China, which accuses the Dalai Lama of trying to split Tibet away from its control, made it clear that it

found the meeting unacceptable. It was not the first face-to-face session the Dalai Lama has bad with an American president. The Tibetan leader had a comparable "drop-by" meeting with Mr. Clinton in Mr. Gore's office one year

ago and also met privately with President George But the session took on added importance now. a series of lectures.

because the Clinton administration must decide by June 3 whether to renew China's trade benefits in this country. One of the markers the president set down for making that decision is whether the Beijing government made progress in preserving Tibet's religious heritage, of which the Dalai Lama is the leading symbol.

In a statement, the White House said the United States "continues to urge high-level talks hetween the Chinese government and the Dalai Lama or his

representatives to resolve differences." The White House statement welcomed the Dalai Lama's offer in a speech in New York on Wednesday to meet senior Chinese leaders to discuss

differences with the Beijing leadership. The official Chinese press repeated Beijing's assertion that it would never compromise on its one fundamental principle, that Tibet was an inseparable part of China,

Beijing said it would welcome the Dalai Lama's return to China as long as he totally abandoned the idea of Tibetan independence and stopped activi-

ties to split the motherland.

The Dalai Lama met the vice president for about 30 minutes, and Mr. Clinton dropped in on the meeting for about 15 minutes, a White House aide said. The Tibetan leader was ending a two-week visit to the United States, where he has been giving

# North Korea Rejects UN Demands for Inspections

VIENNA — North Korea has rejected conditions set by the International Atomic Energy Agency for new inspections of its

Energy Agency for new inspections of its nuclear sites, the agency said Friday.

"The new reply from Pyongyang to our demands, which arrived in Vienna Friday afternoon, is unsatisfactory," said the agency spokesman, Hans-Friedrich Meyer, adding that inspectors would not, therefore, travel to North Korea this weekend. "We will discuss the situation again with the member states at the start of next week." he said.

Last week Processons invited United Na-Last week, Pyongyang invited United Nations inspectors in supervise the replacement of fuel in a reactor at Youghyon, one of the

the agency. The agency agreed, but imposed a number of conditions, including that it be allowed to measure the radiation levels of the material. Mr. Meyer said Pyongvang had rejected this condition.

to prove that the North Koreans have not diverted fissile material to military ends." The inspection is intended to determine whether North Korea has diverted nuclear material to a covert weapons project, possi-bly during a mysterious 100-day shutdown

of the Yongbyon reactor in 1989 with no outside inspectors present. Earlier Friday in Moscow, Russia ex-

pressed concern about North Korea's nuclear program and said it was ready for "full-scale military cooperation" with South

"We have discussed North Korea and expressed concern over the state of North Korea's nuclear affairs," Defense Minister Pa-vel S. Grachev said after talks with his South Mr. Meyer said such a check was "crucial Korean counterpart, Rhee Byoung Tae.

The United States believes North Korea may already have produced one or two nuclear bombs and could make more. North Korea denies this, saying its nuclear program is entirely for peaceful uses. It has refused to allow complete UN inspections to verify its

General Grachev said he and Mr. Rhee discussed how to influence Pyongyang to prevent it from breaking out of the Nuclear Nonproliferation Treaty. Treaty terms require signatories to permit outside verifica-

As part of growing Russian reconciliation with South Korea, Foreign Minister Andrei V. Kozyrev told Mr. Rhee that Moscow was ready "to set up full-scale military coopera-tion" with Seoul. "I am glad that we do not view each other through gun sights any more, as saying.

# Singapore Daily's Mail Runs Against Teenager

SINGAPORE — An American and awaits a government decision teenager sentenced to he flogged for vandalism is being described as a "monster" and a "viper" in letters from Americans and Singaporeans lashes on the hare buttocks with a lashes on the las

to a local newspaper. The Straits Times said Friday were from Americans.

Mr. Fay, who has lived here with treated well in prison. 1992, completed one month of a pore American School, and several

rattan cane - as "excessive." A U.S. Embassy representative is

that most of the 312 letters it had scheduled to visit the youth in received about the case were in fa- Queenstown Prison on Saturday, to of the caning of Michael P. Fay, and his mother, Randy Chan, is to 18. A fourth of the letters, it said, see her son Tuesday.

Mrs. Chan said he was being his mother and stepfather since Mr. Fay, a senior at the Singa-

four-month jail sentence Thursday and awais a government decision on a plea for elemency.

President Bill Clinton has described his punishment—six bis confession had been coerced, he

pleaded guilty last month to two charges of vandalism, two of mischief and one of possessing stolen property. Plea-bargaining reduced the original 53 counts filed against him for spraying paint and tossing eggs at cars and other illegal acts. The Straits Times said the most "hawkish" letters had come from

Americans, and the few appealing for compassion were written by residents of Singapore.

making life in the big cities unliv-able," the newspaper quoted Kevin Brennan of Long Beach, New York, as writing.

One unidentified Sinagporean said his country should be gracious and just deport "the monster." "It doesn't matter what our wimpy president says, beat him," wrote Thomas Dorsey of Hot

Springs, Arkansas. Many Singaporeans, the newspaper said, expressed indignation at American interference in their country's internal affairs.

### Hata to Tell Europe of Market Plan

Agence France-Presse TOKYO — Japan's new prime minister, Tsutomu Hata, will lesve for his first official foreign trip on Monday, with stops in Italy. France, Germany and Belgium, an official said Friday.

The lormer prime minister, Morihiro Hosokawa, was to have gone on the trip to strengthen ties with Europe and explain Japan's marketopening measures. Mr. Hata decided to make the weeklong tour himself after his predecessor was forced to resign over a

"It is vital to promote European understanding on Japanese efforts in proceeding with various reforms, including economic measures. Mr.

Mr. Hata will speak to gov-ernment leaders in Italy before going to Paris on Wednesday, Bonn on Thursday and Brus-

sels on Friday. In Brussels, Mr. Hata will talk with Belgian leaders and the European Commission president, Jacques Delors, a spokesman said.

# **Rwandan Exodus Called Fastest Ever**

By Paul Lewis

New York Times Service UNITED NATIONS, New York - More than 200,000 terrified Rwandan refugees have flooded into the Kegara district of Tanzania in a 24-hour period, fleeing spreading massacres and civil war in what the United Nations High Commissioner for Refugees described as the largest and fastest mass exodus it has ever

At least an additional 50,000 Rwandans have been spotted waiting to cross an unguarded bridge into Tanzania in lines more than five miles (eight follometers) long. UNHCR and the World Food Program have prepositioned some food and medical supplies. Tents and blankets are to be airlifted Saturday from Nairobi.

UN officials say refugees are fleeing fighting and massacres in the southern part of Rwanda and are crossing into Tanzania apparently be-cause borders into Burundi and Zaire have been

The United Nations, meanwhile, received report of a massacre in northern Burundi of undisclosed size but suggesting ethnic violence is spreading to this neighboring country which suffers from the same tribal tensions as Rwan-

fn the Rwandan capital, Kigali, the United Nations still has some 450 soldiers guarding tens of thousands of Rwandans in the soccer stadium, the hospital and the Hotel Mille Co-

Reports of Atrocities Continue

Reports of atrocities continued to come from Rwanda on Friday, The Associated Press re-ported from Nairobi.

In the southwestern Rwandan town of Cyangugu, policemen and militiamen fired machine guns and threw grenades at about 5,000 people who tried to force their way out of a stadium where many had sought refuge, the United Nations High Commissioner for Refugees said

In a statement from its offices in Geneva, the agency said relief workers had been harred from the stadium and had no way to help the wounded or get an exact count of the dead. But at least 300 people were reported killed.

# Harry La Fontaine Is Dead at 81, Dane Saved Jews From Nazi Camps

MIAMI — Harry La Fontaine, a Danish World War II resistance leader who helped save thousands of Jews from Nazi death camps, has died. He was 81.

Mr. La Fontaine died April 12 after suffering an ancurysm in his adopted home, Miami, his widow, Edith, said Thursday. The funeral

was private.

He helped smuggle more than
8,000 Jews from Nazi-occupied Denmark onto boats headed for neutral Sweden within two weeks in October 1943, when the Germans decided to apply their "final solution" to Danish Jews. Mr. La Fontaine hid Jews in hos-

pital beds and closets of homes, nelped rescue a rabbi by dressing him as a woman and fed pepper to

Nigeria Reports Meningitis

LAGOS — About 100 people have died in an outbreak of meningitis in the Bakori area of northern Nigeria, the News Agency of Nigeria reported Friday. Health officials have been sent with drugs and vaccines to comhat the epidemic.

He also tried to derail the Ger-

man war effort with bombings. He once parachuted into Denmark with more than 100 pounds (45 kilograms) of explosives strapped to his back.

"The thing that strikes me most about him was that he talked about his altruism as being what every human being should do," said Merle Saferstein of the U.S.-based Holocaust Documentation and Education Center.

Berton Roneché, 83, a staff writer at The New Yorker for nearly 50 years who originated the Annals of Medicine series that chronicled the war against disease in elegant nar-ratives of medical intrigue and detection, died Thursday at his home in Amagansett, New York, He committed suicide, said his wife, Katherine Eisenhower Roueche, who discovered the body.

Wednesday in his Mediterranean

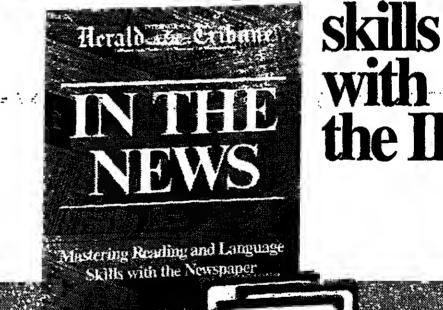
Nazi bloodhounds to kill their hometown of Tartous, 300 kilome-

David Langton, 82, the actor best remembered for his role as Lord Bellamy in the acclaimed British television series "Upstairs, Down-stairs," died Monday of a heart attack at Stratford-upon-Avon, his family said.

General Sak Satsakhan, 68, a longtime anti-Communist leader and one of the few Cambodian generals to emerge with credit from the 1970s civil war against the Khmer Rouge, died of a heart attack Friday in Phnom Penh, according to the secretary of state for information, Khieu Kanharith. At the time of his death, the four-star general was a military adviser to the gov-

John Preston, 48, an author, co-founder one of the first gay community centers in the United States and a former editor of the magazine The Advocate, died Wednes-Major General Adman Tayara, day at his home in Portland, Ore-61, a Syrian officer who was promi-gon, after a long battle with AIDS. nent in his country's peace dealings with Israel, died of cancer Tuesday in a London hossital efficient in Minneapolis before moving to San Francisco to serve in in a London hospital, officials in moving to San Francisco to serve in Damascus said. He was buried 1975 as editor of the nation's largest gay magazine.

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### **BOOKS**

Reviewed by Heywood Hale Broun

O PENING the large volume of Murray Kempton's "Rebellions, Perversities, and Main Events," one is startled to discover that it is dedicated to William F. Buckley, a man whose parade of

from way left to way right. During the nearly 30 years (from the 1960s to the '90s) covered in this collection of the second control tion of pieces, he seems to have been comfortable with a screen of philosophy and scholarship in front of his fire.

There are times, of course, when the fire comes right through the screen. When the government refused interment in Arlington Cem-etery to the ashes of Robert Thompson, a decorated hero of World War II who was also secretary of the American Communist Party, the flame of rage leaped high

"Wherever those ashes go, the glory of America goes with them. They belong to every soldier.

REBELLIONS, PERVER- Those ashes had done everything man more principled than pragmat-AND MAIN for us but disgrace us; and now, by ic until we come across his quotation our treatment of them, we have of a British journaists about the Par-

disgraced ourselves."

When he wrote about Thompson, By Murray Kempton. 570 pages.

Kempton had long put communism's dreams behind him, but he principles. admired the deliant, selfless courage of the soldier as he admired the who a freedom fighter? Kempton fierce stubbornness of Westbrook simply tells us with a fair degree of Pegler, with whom he agreed on few of the world's issues, as he perhaps admires Buckley as a verbal fencer worthy of a crossing of swords.

The pieces collected here come from a variety of sources. There is, however, a steady tone, a distinctive drum and down a different street from the march of Murray Kempton.

This is just the first of a number of surprises, however, because Kempton, once a member of the Young Communist League, did not, like many other old radicals, swing, like a windshield wiper, from way left to way right. During the assertion and the surprises at thinker to let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but there is no let verbal elegance be his end, but the letter is no letter in the support to the atomic scientist J. Robert Oppen heimer, who believed that "What could be discovered ought to be discovered, wherever it tended," the properties of the atomic scientist J. Robert Oppen heimer, who believed that "What could be discovered ought to be discovered, wherever it tended," the properties of the atomic scientist J. Robert Oppen heimer, who believed that "What could be discovered ought to be discovered, wherever it tended," the properties of the atomic scientist J. Robert Oppen heimer, who believed that "What could be discovered ought to be discovered, wherever it tended," the properties of the atomic scientist J. Robert Oppen heimer, who believed that "What could be discovered ought to be discovered, wherever it tended," the properties of the atomic scientist J. Robert Oppen heimer, who believed that "What could be discovered ought to be discovered

his shoulder and urges him to pause lest he miss the word that will slip

into place with precision.

In its concluding essay, written in 1990, Kempton, by then in his 70s, is beguiled by an account of Oliver Wendell Holmes, then in his 80s, reading Plato "to improve his mind." This effort for some of us slacks away into rosy trips to Things-as-they-used-to-be, but Kempton, the septuagenarian who bicycles to work, is all for that exercise of the mind that will keep it in shape to go on asking questions and

trying for answers.

After a hundred or so absorbing pages of Kempton one seems sure that he is, for all his complexity, a

ic until we come across his quotation is Commune of 1870 to the effect that Rue de Rivoli was full of ruffians of the worst sort, those with

Who is a terrorist, we cry, and objectivity about some of those who wrought havor in the tumultuous '60s when "a very few of the affluent have joined a very few of the indigent m a coalition of common destructive passions."

In this new collection he has not done anything so simple as finding himself, but he has found a way to go about the search. Following him through, you may not always agree with all his answers to all his questions - but he does make you look at issues with a mental eye you may too long have left closed. Advanced in years, he still spurns the fireside as he puffs and pedals on in his intellectual bicycle. He is one who would rather ratiocinate than remi-

Heywood Hale Broun, whose books include "A Studied Madness," Whose Little Boy are You?" and for The Washington Past.

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# **Hold Firm Against Saddam**

Saddam Hussein is seeking and finding some international support for his effort to get out from under UN sanctions. Mainly, it seems, for commercial and financial reasons, France, Russia and some others are inclined to let the Iraqi strongman resume some sales of oil. To head off this possibility, Secretary of State Warren Christopher has been in the Gulf drumming up fresh support for sanctions among the conservative Arab regimes. Dependent as they are on American protection against a someday resurgent Iraq, these regimes evidently yet have some internal elements open to Saddam's appeals for relief.

Unfortunately, three years after an American-led coalition threw his invading army out of Kuwait, Saddam Hussein remains defiant and in power. Just a few weeks ago the United States got a painful reminder of the costs of keeping him in check when American warplanes accidentally shot down two U.S. helicopters conducting protective surveillance over Kurdish areas. Twenty-six people aboard were lost - more than last fall's one-day toll of t8 American dead that precipitated the Clinton administration's decision to quit Somalia. The incident in the Iraqi north made no

visible dent in American commitment to the containment of Saddam Hussein. But the constancy of others in the ring requires regular American tending. The sanctions issue is due to come up again in the Security Council in May, and there is talk that some sanctions might be relaxed later. The commercial opportunities, the pain of the Iraqi people, the hope to enlist Iraq in containing revolutionary Iran, the passage of time: All these considerations tend to erode the common will. Saddam Hussein's regime, however, remains unrepentant and unreconstructed. Choosing to calm international anxieties at their most inflamed point, he has opened up to UN weapons inspectors. Still, they are left suspecting that he has hidden away supplies of Scud surface-to-surface missiles and chemical feed stocks.

Meanwhile, he is remote from compliance with other UN resolutions on human rights and the Iraq-Kuwait border. Anytime he chooses to, he could sell \$1.6 billion in oil to huy food and emergency relief. Apparently preferring to blame outsiders for his citizens' duress, he chooses not to. The United Nations must hold firm.

- THE WASHINGTON POST.

# Science's Smallest Trophy

After nearly two decades of searching, scientists have found evidence for the clusive "top quark," the last undetected member of a family of particles that are believed to constitute the basic huilding blocks of all matter.

The discovery, if confirmed, will be a prodigious triumph of experimental physics. A huge team of scientists sifted through the electromagnetic debris from billions of particle collisions at the Fermi National Accelerator Laboratory to find clues to the existence of this extremely rare and evanescent quarry.

More important than the feat itself, proof that the top quark exists will verify that the scheme by which physicists describe matter and forces — the so-called Standard Model of elementary particles - is essentially accurate. Had they been unable to find the predicted quark, this edifice of modern physics would have collapsed.

Quarks were first proposed in the early 1960s to explain the vast zoo of particles being found in accelerators. The notion was that virtually all such particles were composed of a few simpler particles called quarks.

Though the proposal was at first strongly resisted, it eventually evolved into the now widely accepted Standard Model, which reduces all reality to six kinds of quarks, six other particles named leptons, and three

forces that govern their interactions. Although finding the last predicted quark will solidify the Standard Model, the theory remains unsatisfying. It is messy and complicated in a discipline that prizes simplicity. It leaves out gravity, the fourth known force. And when used to predict what happens at very high energies, it yields absurd answers unless additional particles or forces are hypothesized to make it work.

That is why physicists keep seeking a deeper theory that would reduce everything to a few simplicities. No one knows for sure if such a "final theory" is possible, or, if so, whether its formulation lies centuries away or just around the corner.

Until recently, the favored approach was to build ever bigger accelerators to probe colli-sions at ever higher energies. But now that the Superconducting Supercollider, the next big accelerator, has been terminated, physicists are turning to cheap and imaginative ways of investigating these phenomena that do not

require expensive, brute-force machines. That is the soundest approach to a subject that has no foreseeable practical applications. only the excitement of a grand intellectual quest to understand the universe we all inhabit.

- THE NEW YORK TIMES.

### **Further With Gun Control**

Efforts at gun control in the U.S. Congress have thus far been worthy but piecemeal. Advocates of gun control have concentrated on getting small pieces of legislation, any legislation, through Congress. That has meant choosing measures fashioned to seem most innocuous to those who fear the intimidation campaign of the National Rifle Association.

So far, that tactic has proved its worth, most notably in getting the Brady law passed, which demands a five-day waiting period before buying a handgun, and in getting Congress accustomed to the notion that the gun trade is a litting target of legislation.

Some members think Congress is now

ready for a broader approach. Late last year Representative Charles Schumer of New York and Senator Howard Metzenbaum of Ohio introduced a "kitchen-sink" hill that covered everything from licensing to lists of weapons to he prohibited. It proved politically ahead of its time. So this week Mr. Schumer, along with Sena-

tor Bill Bradley of New Jersey, introduced a more focused bill, aimed at stopping the illegal trafficking in guns.

The two legislators note that almost all hand-

guns on America's streets start as legal weapons. Then they are stolen, or sold through shady dealers, or bought by people without the proper documentation, or straw buyers who turn them over to illegal dealers with only one goal: to resell them on the street.

The Schumer-Bradley bill aims to stop trafficking through a number of practical measures. The linchpin of the legislation is a proposal for a national handgun identity card, containing a photograph, a fingerprint and a

magnetic strip to prevent fraudulent use. No one in America would be allowed to huy a handgun without such a card.

The bill would also limit handgun purchases to one per customer per month, While allowing a clearly generous number of guns to be bought for personal use, this would prevent the bulk buying of guns for resale. The bill would require guns to be registered

and all transfers of handguns from one person to another to be recorded, much as is now done for motor vehicles. That would prevent the use of straw buyers - people with legiti-mate identification buying for illegal dealers. Perhaps most important, the hill would

reform the licensing of gun dealers. Obtaining a dealer's license now is ridiculously easy. There are 31 times more registered gun dealers in the United States than McDonald's restanrants - almost three-quarters of them dealing not from stores but from their homes or the trunks of their cars.

The Schumer-Bradley bill would require gun dealers to have a real place of business and to meet stringent security standards. It would impose an annual fee for dealers of at least \$3,000, with the revenue to go to the Bureau of Alcohol, Tobacco and Firearms so that it could effectively police the firearms trade.

The bill presents a systematic response to the traditional anti-gun-control mantra, which suggests that criminals will always have a way to get guns, and that therefore everyone needs them. So far there has been no comprehensive legislative effort to stop the supply of illegal guns. The Schumer-Bradley bill represents a sensible starting place.

-THE NEW YORK TIMES

# Herald Tribune. Much to Learn From South Africa's Miracle

BOSTON — By the standards of today's world the election in South Africa is a political miracle. Many would have predicted that white domination would end in a cataclysm of violence, not a oneperson-one-vote election supported by all major parties and groups.

But it is a miracle created by human beings. A series of calculat-ed political judgments made possible the relatively peaceful transition to a new South Africa.

President Frederik de Klerk made the judgment, long overdue, that white rule could be maintained only at devastating costs, economic and social. He understood that the leaders of the African National Congress were the most moderate interlocutors the whites could hope to find. He took the dramatic step in February 1990 of releasing Nelson Man-dela and his colleagues from prison. Mr. Mandela took the path of rec-

onciliation from the day of his re-lease. When I interviewed him two months later, I asked whether he favored the prosecution of men who had carried out murders on behalf of the government. He said: No, no, no. The whole spirit of

negotiations would be against taking revenge on any particular individual. You think of a settlement as involving the entire community in support of the settlement. Otherwise it will be an intolerable situation." That spirit of inclusiveness and reconciliation was carried on through the long negotiations and

the election campaign, Mr. Mandela urged campaign crowds to support the police, who had been the hated enforcers of apartheid. He went the last mile to bring the prickly Mango-suthu Buthelezi into the election.

By Anthony Lewis

The new constitution, drafted mainly by lawyers of the ANC and the governing National Party, contains assurances to whites and other minorities. It has a detailed bill of rights and a Constitutional Court

to enforce it. Perhaps most important, the negotiators agreed to conduct the first election on the basis of proportional representation. In a system like Britain's or America's, with legislators elected by districts, few whites would have won - because only a few districts in South Africa have white majorities. Proportional representation will produce many more white members, because each party will have the same share of seats as it has of votes in the whole country. The ANC agreed to proportional

representation even though it will give the party fewer winners. As a study by the Center for Voting and Democracy in Washington put it, the leaders realized that the distortions caused by a district system "would be fundamentally destabilizing in the long run for both mi-nority and majority interests."

The constitution also provides

that any party with 5 percent of the



There will be a government of na-tional unity for five years, with Mr. de Klerk as a likely vice president.

Those concrete measures made it easier for the National Party to give up its absolute hold on power. And on top of them, Mr. Mandela and his colleagues have given assurances to the bureaucracy and the army that their interests will be protected.

ANC leaders have taken all these steps on the premise that a new govemment can succeed only if most South Africans accept it as legitimate. Mr. Mandela told a television interviewer: "To be dismissive of opposition — that is what was done in Angola and Mozambique. We must not make that mistake.

Americans might look at South Africa and think about their own politics. South Africans lined up for hours, determined to vote; half of all Americans do not bother. There, victims of oppression built bridges to those who held power, America increasingly has the politics of division and hate. They used proportional representation to mitigate conflict; Americans mocked a Lani Guinier who thought it was time to consider a form of proportional rep-

resentation for the same reason. Of course the commitment to rec-onciliation and national unity will be tested by the realities of govern-ing. South Africans who live in shacks hope to achieve at least their modest expectations of a water tap and a job, and those will not be easy for the government to provide. But many people meant it when they said, as they waited to vote, that this was giving them what they wanted most of all: human dignity.

The New York Times.

# An Apartheid Fighter Now Risks His Life for Haiti

By Richard Cohen

WASHINGTON — In the basement of a converted Washington townhouse, a human bomb ticks on the Clinton administration. His name is Randall Robinson, executive director of the lobbying group TransAfrica. On the day I saw him, Mr. Robinson was in the 15th day of a liquids-only hunger strike. Always trim, he has shed 7 pounds (3 kilograms) and is determined to keep going until the Clinton administration changes its policy on Haiti. To that end, Mr. Robinson is prepared to die.

It is important to say this right off. Randall Robinson is no trut. He does not have a martyr complex — so say all who know him. He is no radical, no fool, no egomaniac. He is a centered man, if not a man of the center, who for 17 years has been running a much-respected black lobbying group. Bill Clinton, you can bet, knows exactly who Randall Robinson is.

It is important to say another thing as well. On the day I saw Mr. Robinson, Tuesday, the very first voters were going to the polls in South Africa. Mr. Robinson has been arrested seven times during protests against apartheid and TransAfrica was instrumental in getting the United States to impose sanctions on the old racist regime. Tuesday could have been Randall Robinson's transcendent day. But he passed up any celebration to continue his hunger strike. South Africa was his passionate cause but Haiti is different. For Haiti he is willing to risk death, Why? Mr. Robinson finds the U.S. "complici-tous" in the death of Haitians. He believes, as Mr.

Clinton once did, that it is morally reprehensible to interdict Haitians on the high seas and return them to the very thugs they are fleeing. He thinks that these Haitians would be welcomed in the that these Hathans would be welcomed in the United States as political refugees if they were not black. But they are scooped off the water like pond scum and sent back, sometimes to their deaths. Haid is a foreign policy dilemma for the Clinton administration. But in comparison to Bosnia, it is a walk in the woods—a miserable little place, run

by the military and the paramilitary who, taken together, have developed a taste for the killing of innocent civilians, the mutilation of their bodies and the rape of their female survivors. They are drug runners and goons, and they could be sent packing by any American street gang, never mind

a company or two of marines.

And yet the United States has allowed itself to he humiliated by this regime. It sneers at the U.S. embargo, it breaks its agreements, it has scared off a naval ship and, emboldened by U.S. weakour a navar smp and, embodemen by U.S. weak-ness, it has turned against political dissidents in a barbaric orgy of killing — 150 or so in Port-au-Prince since January, maybe 26 more the other day in a military sweep of Gonaives, For Mr. Robinson, though, the paramount issue is the U.S. government's insistence on repa-

triating Haitians fleeing their country. He says he appreciates that Florida, for instance, is apprehensive about the number of Haitians that would

come there, but something could be worked out. Vietnamese refugees were initially scattered across the country. Mr. Clinton, he says, had adopted the most politically expedient policy, more concerned about the polls than history.

Mr. Robinson has clearly taken the measure of Bill Clinton, a man he now regards with a fair measure of contempt. The president responds to pressure. The waring of Randall Robinson will put Bill Clinton in a box. He cannot afford to let Mr. Robinson die — not for his miserably wrong and inept policy, anyway. Soon, more and more members of Congress will join those of the Black Cancus and demand a change in U.S. policy. Military intervention no longer seems excluded.

Randall Robinson is an appealing zealot, He has had the doubts of an ordinary person. He was alraid he would make a fool of himself. He is really not sure if he could let himself die. He has a good life — an impressive lobbying group, a member-ship in the black leadership, a standing in Wash-ington based on achievement, not bombast. And two kids and a wife, a woman who made him smile when he lifted the phone to take her call.

Yet he means to die - if it should come to that - for the wretched people of Haiti. He would prefer it otherwise, of course. It's just that to live and not do all you can for what you believe is to Randall Robinson another form of death. "An unprincipled life is not worth living," he said. "I would not know who I was."

We are all about to find out.

Washington Post Writers Group.

# Nixon's 'Peace' Strategy Had a Heavy Price in Blood

WASHINGTON — Richard Nixon's powers of political stagecraft seem to have outlived him. Contrary to much of what has been said since his death, he had no intention when he became president in January 1969 of ending the war in Victnam. His greatest foreign-policy challenge was neither the opening to China nor detente with the Soviet Union. In Mao Zedong and Leonid Brezhnev, he was dealing with other powerful and ruthless men with

whom he could do business. Mr. Nixon's greatest challenge was the war in Vietnam. His failure to respond to it wisely brought death and suffering to his country and Indochina and ultimately wrought his destruction in the series of crimes and misdemeanors known as Watergate.

Mr. Nixon was elected in 1968 because he gave the public the impres-sion that be had a secret plan to stop the fighting. In his old age, he admit-ted no such plan existed. His real plan, which he proceeded to carry out, was

By Neil Sheehan

to continue the war and attempt to win it with a new approach.

He called his scheme Vietnamization. The strategy was to appease American public opinion and buy time with gradual withdrawals of the nearly 543,000 American troops serving in Vietnam when he took office.
The burden of the fighting was simultaneously shifted to the South

Vietnamese government's armed forces. They were strengthened on Mr. Nixon's assumption that they would one day be able to stand alone against their Communist opponents, the nationalist-inspired followers of Ho Chi Minh, and preserve the separate South Vietnam that had always been the goal of U.S. policy.

There was an alternative. Mr. Nixon could probably have negotiated a cease-fire in exchange for a rapid American withdrawal with a publicly announced deadline. But that would have entailed admitting that the war

was a hopeless cause and Mr. Nixon could not bring himself to admit that.

"I will not be the first president of the United States to lose a war," he told the Republican congressional leadership in the fall of 1969. The flaw in Mr. Nixon's strategy

was that the regime in Saigon was fundamentally corrupt. It would always be dependent for its survival on the muzzles of guns wiclded by for-eigners. The artillery, tanks and armored personnel carriers, the squadrons of jet fighter-bombers and hundreds of helicopters Mr. Nixon lavished upon its armed forces did not

ehange its moral bankruptcy.

The strategy also required time —
and in war, time means blood. By the signed in January 1973 and the last U.S. combat units were withdrawn.

time the Paris agreement was finally 21,000 Americans had perished during Mr. Nixon's presidency, more than a third of the 58,000 Americans who

died in Indochina. And these numbers are paitry when measured against the lives lost by the Indochinese. Nearly 160,000 of Saigon's troops were killed fighting Mr. Nixon's war.

In 1970 he threw another entire country into the slaughterhouse when

he sent American troops into Cambodia and precipitated a war there to try to divert the energies of the Vietnamese Communists from the struggle for South Vietnam. Hundreds of thou-sands of Cambodians died in the conflict and in 1975 the outcome brought to power the homicidal Khmer Rouge, who murdered 800,000 to 1 million of

their people in the "killing fields."

Time also meant that the opposition at home against Lyndon Johnson's war, an outcry that left America more profoundly divided than at any moment since the Civil War, would renew itself against Mr. Nixon's war. The protests brought out the worst in his character. His White House became a place of paranoia and arrogance, with an "enemies list" and a secret "plumbers" unit to illegally wiretap aides suspected of news leaks to pull dirty tricks on political

opponents and to commit burglaries.

The dead of Indochina exacted a kind of revenge when Mr. Nixon be-came the first president to resign his office in disgrace.

Mr. Sheehan is author of "A Bright Shining Lie: John Paul Vunn and America in Vietnam" and "After the War Was Over: Hanoi and Saigon," He contributed this comment to The New York Times

# Rigid Iraq Merits No **UN Mercy**

By Warren Christopher

The writer, the U.S. secretary of state, is touring the Middle East.

R IYADH — In the wake of the tragic helicopter accident over northern Iraq two weeks ago, some are calling for a change in U.S. poliry. They argue that it is time to find a way to end the confrontation with President Saddam Hussein.

The implication is that Baghdad is ready to make amends and that America is somehow responsible for prolonging the confrontation.
This view is misguided.

It ignores the basic fact that Iraq is not now in compliance with any of the obligations the United Nations Security Council imposed at the end of the Gulf War — even those it accepted as a condition of the cease-fire.

Iraq continues to lay claim to Kuwait. It refuses to account for hundreds of Kuwaitis who disappeared in the occupation in 1990.

And despite a requirement in the

Security Council cease-fire resolution that Iraq abandon terrorism, its intelence services are as active as ever. Last year they tried to assassinate former President George Bush in Kuwait. And this month two Iraqi diplo-mats in Beirut confessed to killing. Taleb Suheil, an Iraqi dissident.

Baghdad is also engaged in terror-ist campaigns against aid workers, and UN observers in northern Iraq. Saddam's instinct for repression is manifest in his campaign against the marsh Arabs of southern Iraq.

These Iraqi citizens, whose way of # life has survived for thousands of. years, are being driven out of their ancient wetlands. Saddam's engineers have dried ont the marshes, and his armies are systematically burning reeds and thousands of dwellings. Anyone who doubts that Saddam

would again inflict the same cruelties on the citizens of northern Iraq. should be reminded of the "Anfai campaign" of 1988: 1,500 villages in northern Iraq were destroyed; more than 50,000 Kurds were killed. In the city of Halabja, more than 3,000 Kurdish men, women and children-were gassed to death.

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For three years, a multinational, effort led by the United States to provide relief, and protection to northern Iraq has deterred Baghdad. from repeating such massacres.

But they could recur - with vast displacement of local populations to, neighboring countries - if the effort Some suggest that this danger should be overlooked because Iraq is-

beginning to comply with UN require-ments on weapons of mass destruction. That argument plays into Saddam's hands. International sanctions

are croding his support in Baghdad.

He hopes that if he creates the illusion of abandoning nuclear, the chemical and biological weapons programs, the Security Council willlift sanctions on Iraqi oil exports.

But there is no reason to believe of mass destruction unconditionally and indefinitely, as the Security Council resolution demands. There is even less reason to believe it will comply with the other UN resolutions.

More likely, Saddam is trying to evade oil sanctions so he can acquire the resources to rebuild weapons he has never hesitated to use against his

people and his neighbors. The international community cannot afford to allow this cynical tactic

to succeed. Saddam has manipulated the suffering of the Iraqi people in his efforts to escape UN sanctions. That

suffering is real. But the responsibility lies not with the international embargo hut with Baghdad's policies.

Saddam persistently refuses to take advantage of UN resolutions, that would allow Iraq to sell oil tomeet legitimate humanitarian needs. The international community must continue to insist that Iraq meet all

its obligations, International solidarity in maintaining sanctions is now bringing about Iraq's limited and belated steps toward compliance. But Baghdad still has a long way to go.

The stakes are too high to give Saddam the benefit of the doubt or to-

let U.S. policy be dictated by commercial interests or simple fatigue. Those who died in the tragic heli-copter accident over northern Iraq two weeks ago were engaged in a vital mission: to protect the weak from aggression and to safeguard international interests, including those of the United States, in a critical region.

The Clinton administration's poli-

cy toward Iraq will remain firmly dedicated to these purposes. The New York Times.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: For a Soul's Sake

LONDON -- The local Governors of the town of Cambridge have been discussing the Sunday question. Twn or three thousand Cambridgeites. who at present have little to amuse themselves on Sunday afternoons. want admission to the Botanical Garden on the Lord's Day, where they can study the plants and occupy their minds. The powers that be were talking the matter over and the curator of the garden, a clergyman, was asked for his view. He declared gravely that the thing was impossible because the policeman on duty at the garden had to go to church for his soul's sake. If that policeman did not attend each service the consequences to the spiritual side of his nature might be awful.

### 1919: The Irish Green

NEW YORK - New York had it's second St. Patrick's Day of the year this afternoon [April 28] when the 165th Infantry performed its last

duty of the war by marching up Fifth Avenue prior to being mustered out. The Irish green rivaled the nationalcolors in the flags waved by cheering thousands. Colonel William J. Donovan, accompanied by Father Francis P. Duffy, the idolized chaplain of the regiment, marched afoot.

### 1944; Soldier President? ADVANCED ALLIED HEAD-

QUARTERS, New Guinea - [From our New York edition:] General Douglas MacArthur in a surprise statement issued early this morning [April 30] said he would not accept the nomination for the Presidence The statement said: "I have had brought to my attention newspaper articles, publishing in strongest terms a widespread public opinion that it is detrimental to our war effort to have an officer in high position, on active service at the front, considered for nomination for the office of President ... I do not covet [the nomination], nor would I accept it."

## **Other Comment**

### The Challenges Before Hata

Prime Minister Tsutomu Hata will face some decisive issues: the threat of trade sauctions from the United States and the nuclear crisis in North Korea. So far his political alliance has said only that it will "closely cooperate" with the United States, South Korea and other Asian nations concerned in the Korean matter. However, if a war breaks out in the Korean Peninsula the Hata government will be caught in ill-advised indecisiveness.

Will Mr. Hata's experience as foreign minister, finance minister and minister of agriculture help him pass this test? One thing is sure: The alliance of oolitical parties he chairs still

has far to go to avoid a break-up. The inherent instability of Japanese politics was pushed to the forefront by the Liberal Democrats' fall. This grim reality should serve as a lesson for other countries, especially developing ones that idolize one-party domi-nance by any means, tegal or illegal.

- The Jakarta Post.



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# So They Thought America Was Crazy?

By A. M. Rosenthal

N EW YORK — Shortly after Richard Nixon chose to resign the presidency rather than be thrown out. an tranian general and a French ambassador asked me whatever was going on in the United States. The general served in the court of an emperor who had just told me that he ruled not by ordinary, generalized

divine right but by specific divine decision conveyed to him by a beavenly messenger. The ambassador served a president to whom political messages were conveyed only by voters, or, between elections, by farmers demonstrating for higher cheese subsidies. The general and the ambassador had much in common magnificent manners, superb education and intense

loyalty to their leaders and systems of government. The general, at the shah's summer palace, and the ambassador, in an Asian capital, asked the same questions. What had Mr. Nixon done to bring such disgrace upon himself? Had he participated in that Watergate robbery thing or ordered it? No? Well then, was there something else, some case of

theft or political murder, something so ugly that both press and officialdom had decided — which they said they could understand and approve — to protect America's honor by driving Mr. Nixon out on a technicality? I explained that the reason for Mr. Nixon's departure was nothing like that but simply what they had heard and read but could not believe. Mr. Nixon had told his aides to get busy to make sure that he and his administration

could not be connected to a political burglary he apparently had not known about until after the fact. It was a cover-up, you see, obstruction of justice, and if done by a president an impermissible violation of the

constitution, you understand. By the time I convinced them that no other crime was being hidden by the American Establishment, the ambassador and the general shared something new in common. Both thought I was a fool and that so were the rest of my

conntrymen, nation-destroying fools. For years I have kept running into the same reaction abroad — how could you people do this to a sitting president, one so admired in so many nations? No other country would have done that! No — and every time I hear it I feel not embarrassment but a new flush of pride for my country. I feel new respect for all those politicians who did decide that presidential obstruction of justice could not be constitutionally tolerated. I have deeper affection for Americans themselves, most

of all those millions who were sick at the political cashier-

ing of the man they had voted for, but who came to agree that there was no other way. On any given day the American system and American politics are denigrated by cynics, even more at home than abroad. That won't kill anyone. But it does sometimes prevent Americans from seeing what is good and brave in their conduct. That leads to a kind of automatic self-abnegation, as unhealthy as automatic self-aggrandizement.

No, no other country would have forced a president out on such grounds, because to other country was willing to pay so much to protect a democratic constitution.

Myself, I think Mr. Nixon's greater constitutional offense was to treat federal investigative agencies as his private detectives and personal prosecutors -- hounding

Americans he considered his enemies. American insistence that elected officials observe the constitution in all its details produces a sense of fairness and justice done. It also produces the stability that allowed Mr. Nixon to create a fruitful life after so great a disgrace. Americans looked at him in his last years and asked themselves: Would I have been strong enough to return from such shame? If I were, would I not have the right to do so, under the very constitution that Mr. Nixon violated

and that so humbled him? What Americans would have wanted for themselves they gave to Richard Nixon, with grace.

I could have done without the canonization. To the end he had attacks of mischief-making and to the end he could not see why foreigners should try to do something

But after paying his price, be claimed his rights and received them, which should be a matter of pride to all. Yes, only in America, that's right. The New York Times.

about things like mass torture in China.

# Arts and Antiques

# ·Old, but Wiser and Costlier Better Research Lifts Prices of Ancient Art

ONDON — Knowledge sells. Where advanced research results in precise understanding and dating, the art of the Ancient World has never been in such high demand.

Since the season began, antiqui-; ties from Egypt and Greece have been reaching unheard-of heights. The reason is partly because knowledge dispels the fear of fakes, forever present when it comes to Ancient Art. Hence the premium given to old collections," or to well-publicized collections. When seen by several generations or by a large public, the reasoning goes, an object can be considered to have enjoyed extensive vetting.

Spectacular evidence of the impact of the new criteria on the market came forth twice in De-

The collection of Greek vases formed by a Zurich businessman that was sold at Sotheby's in London on Dec. 9 offers the most extreme case. Originally, the 64 pieces assembled with love and care by Robert Hirschmann were due to go to the small Zurich University Museum. Most were bought after being vetted by Hansjorg Bloesch, a distinguished art historian teaching at the University. An exhibition that was held from Nov, 12, 1987 to March 6, 1988, in the University was meant to be the grand launching of the donation. But this was not to be. It fell through, Swiss collectors report, because a dispute broke out between Mr. Hirschmann and a scholar who disapproves of the destruction that the unofficial excavations which feed

the market generate.

If it had been a publicity stunt devised by an auction house, it could oot have worked better. The catalogue entries incorporated the octailed information gathered by the Zurich University scholars. Attic vases can now be dated with remarkable precision — give or take 10 years, sometimes even less. Thousands of Greek vases have been published and continue to be published in an ongoing corpus. Some painters are known by name, and names are given to anonymous artists in a style remiscent of those coined for Primitives in late medieval painting. Just as there is a Maftre de Mou-lins or a Meister des Maria Lebens (for the sublime paintings illustrating the life of Mary in the Alte Pinakothek in Munich), there is an

"Eagle Painter." It entertains the illusion of pre-

cise knowledge.

To the Eagle painter was attributed a Cairctan vase in the sale
which, in truth, is just about the most beautiful vase from Greece or Etruria ever seen on the market. It soared to a hitherto inconceivable £2,201,500 (\$3.3 million), more than double the previous highest price ever paid for a paint-

(That should be an inducement to the new owner to set the world's

finest minds on ancient myths to unravel the enigma of this one. Greek bierature has not yielded any clue that might explain the meaning of this nude man who clutches a dagger of strangely Middle Eastern design, with the curving blade of an Islamic period poniard, and runs to confront a ferocious marine monster.)

The next highest price, £881,500, went to a vase made en suite in the same workshop, perhaps by the same man.

The other important pieces sold more predictably in a wide-open price range, from £24,150 (an Aıtic black figure bydria, or water jar, attributed to "the Antimenes Painter") to £221,500 (an Attic red figure cup attributed by Hansjorg Bloesch to the painter Douris, and by another scholar to "the Oedi-

Total confidence in authenticity can unleash irrepressible enthusiasm.

pus Painter," a pupil of Douris). The fact that not one item failed to find a buyer illustrates the irre-pressible enthusiasm that total confidence in authenticity can un-

The same feeling of being a field where problems of authenticity are thoroughly dealt with accounts in large part for the phenomenal success of Egyptian art at auction in the last decade.

Thanks to excavations that were scientifically coodocted earlier and on a larger scale than in any other field of archaeology thanks also to the extensive use of hieroglyphic inscriptions that identify scenes and name rulers and patrons — scholars studying Egyptian art achieve a degree of precision rarely matched. Collectors are spared the wild variations in dating or regional attributions. They feel secure and their confidence has an impact on the most modest items.

sale at Bonhams on Dec. 7, where Antiquities that were oot Egyptian did not do too well. At one point, there was a long patch in which Romao broozes, glass, gold dropped dead by the dozen. From lot 120 to lot 220, I counted 65 unsold works. And then, when came the turn of Egyptian objects, it was as if a new chapter of art market history was being written.

A large oumber of small Egyptian figures and vessels, rarely of great distinction and sometimes remarkably dilapidated in appearance, came up as the "property of an English collector" otherwise unnamed. They sold like hotcakes, often to well-known dealers who welcomed many modest pieces

ranging from about £700 to about £3,500. But it was at Christie's that the full extent to which enthusiasm will now soar regarding Egyp-tian art in the middle range was revealed a day later. Not that there was undiscriminating bidding. quite the contrary.

But the finer pieces triggered furious competition. A limestone sculptor's model of the head of Hathnor carved in sunken relief made £8,050, almost twice the high estimate. A painted panel from a sarcophagus, its colors as bright as on the first day, was bought by Walter M. Banko of Montreal for £6,900, this time multiplying the high estimate five-fold. Later, the fragmentary head of what had once been a painted sarcophagus of the New Kingdom, probably of the 14th or 13th century B.C., was fought over be-tween a German and a French dealer. The Frenchman, Jean-Lou Desprat, one of the world's connoisseurs of Egyptian art, bidding through his wife, won the contest, paying, again, £6,900.

Excitement grew in the after-noon as Christie's sold the third and last part of a collection of Egyptian glass, which was found in Egypt in the 1920s and 1930s, in any other context, the tiny frag-ments and restored pieces would not have soared to the same levels. However beautiful the emerald green of a mosaic glass dish with a whorling pattern of white spots may be, £11,500 for a piece of which nearly half is broken off is a large amount. Some would argue that £21,850 for five minuscule turquoise green hieroglyphs each measuring a few centimeters, is even more astounding — Chris-tie's had hoped to get £3000 to

The sale climaxed as a glass mosaic bowl, probably of the first century B.C., made £59,800 in a century H.C., made £39,800 m a contest pitching Naser Mokhtarzadeh of London, one of the Iranian twin brothers who own the Mansur Gallery, against Ali Abu Taam, a Beirut dealer who won the battle. Making allowances for the touch of poker game that was percentible as each of the contestants. ceptible as each of the contestants became more excited, such a price reflects the most potent mixture in



The price of this Greek vase set a world record for any antiquity.

the art market; certainty as to the nature, period and provenance of the object; certainty as to its extraordinary rarity (there may be no other piece of that size and quality left in private hands); and certainty of the relatively large potential consuttuency that Egyptian art in general, and rare glass in particular, enjoys.

The possibility of demonstrat-

iog that these objects left Egypt over half a century ago may have played an additional role. Those

cepted as the cut-off line) will no longer be easily marketable. Mu-seums will stay away from them. who keep an eye on international trends are convinced that one day an internationally sponsored ban oo trading in certain categories of excavated antiquities must prevail. Objects that canoot be proved to have left their probable country of origin legitimately, or at some distant date in the past (World War II is likely to be ac-

But for those pieces that will not come under a cloud, such as the glass sold at Christie's, the commercial future will look brighter

Souren Melikian

# **Impressionists** Make a Comeback, **But With Caveats**

Success of Sales Is Now Determined By Aesthetic Quality, Not Labels

By Souren Melikian

ONDON — impressionists and other Avani Garde movements from the late 19th century to World War 1 are once again leading the market. Here and there, buge prices are

being paid at auction.

But if the money is back, the madness of the late 1980s is not. The environment is different, and so are the buying patterns. These betray a mixture of caution and boldness. The buyers are either battle-hardened old warriors who know exactly what they are doing, or newcomers apparently keen to follow in their footsteps.

in the art marker what will come next is often outlined in the first 10 lors of an important sale. What happened at Christie's in New York last fall, when the first substantial auction of the season was conducted Nov. 2, laid the ground rules for all that has happened since. The first right resultings prove interaction because they can be season was conducted.

riov. 2, iaid the ground rules for all that has happened since. The first eight paintings were interesting because they came from an estate, that of a true collector, the late Joseph Gruss.

They all sold according to their respective aesthetic quality, not simply by category—according to name and size—as so often tended to be the case in the late 1980s. The contrasting fate of the two Pissarros that contrast the case in the late is remaining. The first one a fine drawing heightto be the case in the late 1980s. The contrasting fate of the two Pissarros that opened the sale is revealing. The first one, a fine drawing heightened with pastel of two women, made \$178,500, one fifth above the high estimate. The second one, a gouache, briskly done and sparkling with an irresistible charm, shot up to \$332,500, nearly twice the high estimate. The auction house experts, doing their job, bad based their estimates on the old criteria. The buyers looking at the works gave them

ratings adjusted to their respective qualities.

Two minutes later, it was the turn of a Van Gogh still life to illustrate

Two minutes later, it was the turn of a Van Gogh still life to illustrate the new trend. The bouquet in a glass bowl was painted in 1886 in Paris at a time of transition. The composition and the color scheme betray the impact of the 17th century Dutch heritage while the brushwork, in the impact of the 17th century Dutch heritage while the brushwork, in vigorous sketchy strokes, is, if anything, more advanced than impressionism. In short, the still life is atypical but it is also very beautiful. Estimated to be worth \$600,000 to \$800,000 plus premium, it climbed to \$1,487,500, exceeding by half the highest price expected. Nothing could have been more justified.

The high point of the sale was a pastel of two ballet dancers bending to touch the ground with one hand. Degas painted it in 1885. It is not the greatest, but these days it is hard to come by a better instance of the quintessential Degas subject. The ballet dancers accordingly rose to \$7,042,500, a high price given their frozen appearance and empty eyes. At that point the relief of the auctioneer, Christopher Burge, who is also one of the finest market combisseurs in the field, became obvious. So was the more relaxed attitude of the professionals who had come in droves to test the waters. By now they knew that the market was back

droves to test the waters. By now they knew that the market was back

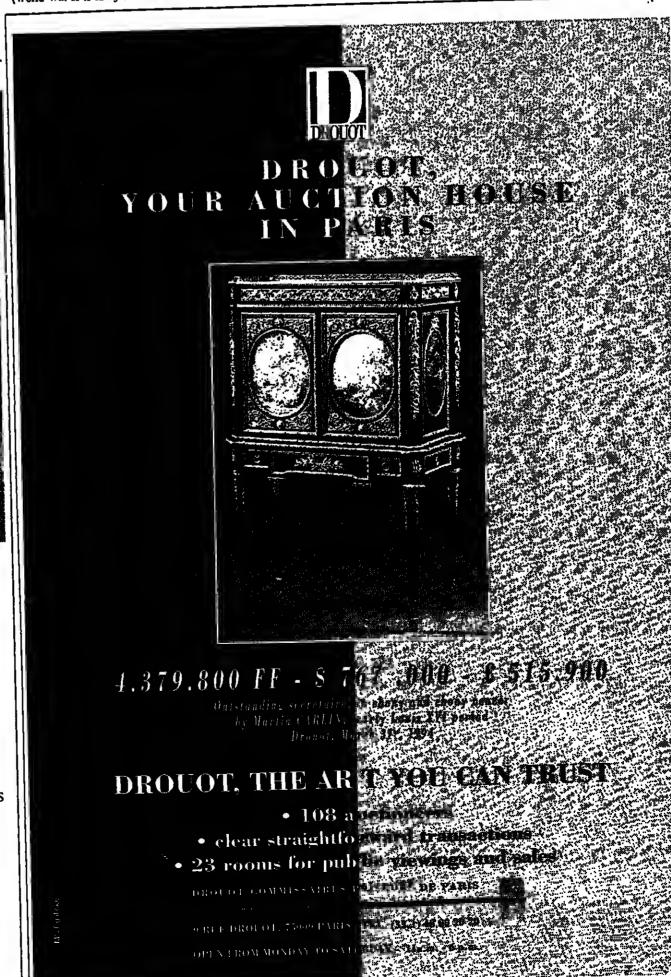
The next major test came a day later at Sotheby's, where the sale added some important touches to the picture of the revitalized market.

Continued on Page 8









By Roderick Conway Morris

OME - The National Roman Museum was a kind of curator's wildest dream turned worst nightmare. When it was founded just over 100 years ago, soon after Rome became Italy's capital again, it was given as a home the Baths of Diocletian by the city's new railway terminus — a vast complex of monumental buildings, the largest baths ever constructed in the ancient world, once capable of accommodating 3,000

people at the same time. The inheritor of multiple private and ecclesiastical collections, the museum was from the outset one of the richest repositories of ancient sculpture, frescoes, paintings, mosaics, inscriptions, coins and artifacts in the world. But, as the urbanization of Rome got under way, with the development of land within the city's Aurelian walls that had reverted to countryside after the decline of the empire, thousands of new finds surfaced, eventually overwhelming the museum with acquisitions.

Everything that came to light was gathered together in the Na-tional Roman Museum, and the final result of this enormous influx of material was it became little more than a giant warehouse," said Adriano La Regina, Rome's superintendent of archeological. heritage. By the 1970s the lofty halls of Diocletian's baths became, as in some Borgesian fantasy, so crammed with exhibits that there was no longer room for the public, forcing the shutting of most rooms until a solution could

Now, after more than a decade of work behind closed doors, it finally looks as if what had become a museum only in name is about to become a reality.

We've acquired two new huildings," Mr. La Regina said, "there-by tripling our exhibition space." Each of the museum's three

sites will have a different character: the liberated Baths of Diocletian will present a unique opportunity to display sculptures intended for grand Roman public buildings in the kind of settings they were designed for, and to illustrate the relationship between them and the

"In Palazzo Altemps we have another very happy situation: it's a Renaissance building that was completely restructured and reorganized to house Altemps' magnificent collection, so it is, in a way,

already a museum.

"Palazzo Massimo, on the other hand, is a Renaissance-style building, but of the last century -- so we have had a much freer hand in internal restructuring - and here we will be showing the development of Roman art from the Republic to the late empire."

Claude BOISGIRARD

2, rue de Provence 75009 PARIS - Tel.: (33.1) 47.70.81.36 - Fax : (33.1) 42.47.05.84

ESTATE MARCEL JEAN

Paris - Drouot-Richelieu Friday, May 20th, 1994 at 2 p.m. On view: Thursday May 19th 11 a.m. - 6 p.m.

Exhibition from May 3 to 5, 1994 - New-York Y.M.P.L. The League

4 East, 80th Street - New-York, NY 10021 - Tel.: (212) 861 3200

Mr. La Regina planned to open most of the new museum this summer, but the government failed to deliver the funds. "Here in Italy, even after funds have been agreed, amounts settled and set aside, there are suddenly second thoughts," he said, "and the next thing you know is that funds you had been promised for this year aren't going to be available till

next year or the year after." Nonetheless, Mr. La Regina said, Palazzos Massimo and Altemps should be ready next year, as well as parts of the Baths. To complete the rearrangement of the entire Diocletian complex will take longer, since there is so much material that has to be moved out before the final reordering there

In evident frustration at chronic delays beyond his control, Mr. La Regina opened the ground floor of seam completing the transition RIS is a writer based in Venice.

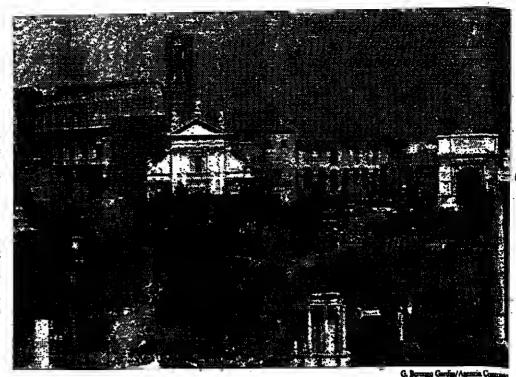
December — and though it represented only around a quarter of the final display, an impressive revelation is turned out to be. In almost any other city this ground floor alone - which shows the art of the late Republic and early empire, with major sculptures such as the General of Tivoli, Augustus as Pontifex Maximus and the Wounded Niobe from the Gardens of Sallust - would constitute an important moseum in itself.

This floor will be open again for at least three months from September, when the floor above is used for a promising special exhibition illustrating the evolution and importance in ancient Rome of the cult of the semi-human, semi-divine Dioscuri ("Sons of Zeus"), Castor and Pollmx.

from fond hope to palpable reali-ty, Mr. La Regina should have more time to pursue another major project - the transformation of the extensive area of the Forum, the Colosseum and the host of key sites around them into a single "archeological park." Mussolini ruthlessly cleared much of this part of central Rome in the 1930s to build for himself a triumphal way between the Colisseum and Piazza Venezia

Such a high-handed act would be scarcely conceivable today, but it had the compensatory benefit of uncovering the heart of ancient Rome, and creating the potential for a unique historical and recreational open space — if only the traffic that flows through it could be diverted elswhere.

With the National Roman Mu- RODERICK CONWAY MOR-



# Scotland's Ugly Duckling Tries to Turn Into Cultural Swan

By Conrad de Aenlle

LASGOW - No one with Edinburgh. whose stately Geor-gian and Victorian buildings and medieval hilltop castle give it an elegance that makes it one of the most beautiful cities in Northern Europe. Edinburgh is Scotland's capital and the most important place in the country's political, so-cial, cultural and historical life.

Glasgow is not pretty. It is the heart of Scottish industry, a city that has to work for a living. What it has been working at lately, with conspicuous success, is building a reputation as a center for the arts, not just for Scotland, but for all of

The city's profile got a lift when it was chosen by European Union officials to be the European City of Culture in 1990. A concert hall was

built for the event, which amounted to a yearlong arts festival. Its latest success, one that has left crosscountry rivals in Edinburgh fuming, was its selection as the site of a museum of Scottish art. Due to open in five years, it will be the first national museum in Scotland built outside the capital.

lts record in attracting cultural institutions — plus a healthy measure of bubris — are said to have bulled the Edinburgh arts community into a fatal complacency that colminated in the decision earlier this year to give Glasgow the new museum, although it should not have come as such a great surprise. The trustees of the national

allery said the museum should be in Glasgow because Glasgow is a bigger city," Bill Brown, chairman of the Scottish Arts Council, explained. Glaswegian officials "of-fered full cooperation in providing paintings and also provided a very attractive model. In other words, Glasgow went out and pitched for it and Edinburgh didn't, perhaps on the assumption that it would come to Edinburgh anyway. There was a monumental row because staged by Glasgow."

There was also a danger that the Scottish Portrait Gallery in the capital would have to give up many of its works to the new muscum and close, although it appears now that that will not happen. But the threat ired Edinburgh officialdom. Actually, for a long time approval of the new museum project itself was not certain - in either city.

"The trustees had been leading a debate for several years on whether there should be a gallery for Scottish art," Mr. Brown said. There are those who say that to do such a thing would ghetto-ize Scottish art. Others say it would be

place of national pride." Even though that place is going to be someplace else, officials in Edinburgh are being gracious.

There's no reason Glasgow shouldn't get the gallery," John Wilson, Edinburgh's deputy lord provost, said. "We're a small country of 5.5 million people. The two crites are 45 miles (72 kilometers) apart. There's no reason we

He conceded that officials there took things for granted during the bidding. "We did tend to rest on our laurels," he said. "We need to take margarine occasionally when other people are getting butter. Perhaps we didn't have enough fire in the belly."

That can't be said about Glas-gow, which has vigorously pur-sued festivals, museums and other cultural facilities as part of a decades-long strategy to replace its image at home and abroad as a

dirty, decaying industrial center.
"Glasgow was seen as a city in decline, which it was," said Jean McFadden, a City Council mem-ber. Then in the 1970s, we started a campaign to enhance the city's image. It actually worked. It changed the image of the city, then we went out and started grabbing

Before the museum project and the 1990 festivities, Glasgow became home to the national opera company, which splits its time between Glasgow and Edinburgh, and more recently to the Burrell Collection, an eclectic assortment of art works amassed by Sir Wilwegian shipping magnate. gallery of modern art is sched-

uled to open in 1996, with roughly half of the £6.5 million, or \$10 million, that has been budgeted for its construction likely to come from the European Union. The EU is also expected to pick up half the cost of building the museum of Scottish art, which will run between £20 million and £30 million.

In fact, much of Glasgow's cultural enrichment can be credited to what Mrs. McFadden calls "the deprivation factor." So great are the efforts by bodies in and out of Scotland to lend assistance that it may actually be in better shape than Edinburgh when it comes to paying for the finer things in life. As one Glaswegian put it, "Edin-burgh is the capital, Glasgow has

It certainly had the capital during the 19th century, a time when the arts flourished along with in-dustries such as shipbuilding that made the city wealthy.

You've got to go back a little bit in history," Mr. Brown of the Arts Council said. "Glasgow 100 years ago was a very prosperous city. It was the heart of wealth of Britain, not just Scotland. The Victorians built many galleries, theaters, museums. Giasgow has always been a city that gave great support to the

Dugald Cameron, director of the Glasgow School of Art, believes the ties binding industry and art go deeper than the money earned in one being used to pay for the other.

"To me the real art of Glasgow is contained in the products made by Cilaswegian industry and that we hope it will make again," the professor said. "One of the most beautiful acts is to build a ship up from steel plates, launch it into the Clyde and send it off around the world."

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By Barry Jan

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Mr. Cameron said he hopes the new museum will combine fine arts with design as a way to inspire local industry to make its goods more artfully. We'll never make the most of anything in the world," he said, "but we can make the best of some things."

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SOTHEBY'S

### Aesthetic Qualities Count in Impressionist Sales off the ground and was bought in at \$260,000. Its good provenance the revived importance of aesthet-Continued from Page 7 ic considerations at auction.

Here again, the importance of aesthetics was underlined early in the sale, when a ravishing view of a village road under snow and the pale transparent light of a winter afternoon by Pissarro did much better than expected. It exceeded the high estimate by one third as it ended up at \$2,205,000. A late Renoir, well-painted but not great, with a composition that is original and full of movement, sold for \$4,952,500. This was just about

positive choices about the buyers' carefully discriminating attitude. An unnecessary Pissarro never got

made no difference, nor should it - a bad painting will always re-main a bad painting, no matter who owned it. An equally medio-cre Renoir portrait of a guitar player was passed at \$850,000, no one displaying the faintest interest. Its \$1,250,000 to \$1,750,000 estimate made no impression in contrast to what would have happened in the late 1980s when some greenhorns would have respectfulconsulted the experts and

repellent (and clumsy) paintings by Egon Schiele, "The Love Mak-ers (Man and Woman I)," was

downgraded compared with the \$3,828,000 it cost when last seen at auction in a Sotheby's London sale conducted Dec. 4, 1984. After inflation, its price on Nov. 2, 1993 - \$4,677,500 - is less than the figure attained a decade ago, Aestor in the market.

obliged by leaving a commission bid.

thetics are definitely back as a fac-The New York sales further demonstrated that cash is ready to flow when it comes to works considered to be of major importance. Sotheby's was offering the last

of the large-size cut-out designs made by Matisse in the early 1950s when, crippled and reduced to could no longer wield the brush. The "last chance" syndrome worked to the full. Crude and ungainly as it may be, the Matisse pronght a \$13,752,000. phenomenal

Four weeks later, the London sales, while bearing out the broad conclusions, added many nuances to the overall picture.

There was only one truly signifi-cant work. The portrait of the Hungarian-born, French by cul-

Big money was available at the

On Nov, 30, Someby's included in its sale works consigned by the Paris dealer in rare books and oth-

ture, and later American dealer Joseph Brummer was painted by Le Douanier Rousseau in 1909. All professionals were saying that this was the last important Douanier Rousseau in private hands. On Nov. 29 it set a world record for the artist at £2,971,500 (\$4,398,000).

top, no matter for what style or school, came the message. More interesting was a secondary mes-sage: Money is also available for small masterpieces. In the recent past, big investors had no time for these, and probably still do not. This is yet another indication of

er things, Pierre Bers. One of these was a beautiful, small still life with a guitar, only 28 by 19.4 centimeters (11 by 7.6 inches), done by Juan Gris as a cover for a volume of Pierre Reverdy's "Poèmes en Prose." It made £463,500. If this does not seem enormous, as it should, this is only because the buge estimate given by Sotheby's reflects the huge ambitions of the

ly exquisite for its summer light and summertime mood, shows two women scated in a garden. Vuillard painted it about 1899-1900. "Sous le Portique" sold for the same price as the Juan Gris, a very large amount for a Vullard of that period. Rarity had nothing to do with the success — other Vuillards of that type could be found. It was

the painterly perfection of the work that sent its price soaring. Sheer mastery again helped a painting hovering between the fig-ural — an nrban view seen through the distorting prism of a wet pane — and geometrical abstraction by Maria Helena Vieira da Silva. Dated 1959, it made £73,000. This may not seem much, but according to the criteria that prevailed until this sale, it is a lot for a painting that is not done in the preferred style of the artist.

Even more telling is the £100,500 paid for the portrait of a young girl by Balthus. Painted in 1938, it is unlike the pictures to which Balthus owes his fame. It could be characterized as the tailend of a long European tradition

of portrait painting that goes back to the 15th century. Stylistically, its immediate forebears are the portraits of Picasso done around 1900. Marvelous but atypical, it drew unflattering comments from leading professionals.

The next important sales will take place in New York in the second week of May. The permanent and inversible trend over the long term — the dwindling number of works for sale — contimes to affect the market. Impressionism is gone, where major art is concerned, and going regarding the second division. The market now processes third-raters.

Christie's wisely gave up any pretence of holding an early spring sale in London. Sotheby's made an attempt that only succeeded in keeping the sale title alive. "Impressionist, Modern and Contem-porary Art" had virtually nothing that qualifies as Impressionist. A Neo-Impressionist landscape done by Gustave Loiseau in 1902 came closest to it. Estimated to be worth £15,000 to £20,000, it was knocked down at £27,600. Next came Guillaumin's landscape "Paysage de la Creuse," sketchy rather than Impressionist. It went up to £18,925.

And that was it. Several 20th century dads (Kandinsky's "Mondnacht" painted in Tunis, a pen-and-sepia wash by Delvanz, which Sotheby's heroically if anwisely ran on the cover) dropped dead, as they deserved to. This is a good sign for the market. Present day buyers are not to be fooled.

This, in turn, is the best insurance policy against a crisis. The market has never been so vigorous and so wise all at once.

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# Hockney's Focus: New Ways of Seeing The World's Beauty

By Diana Rico

OS ANGELES - Most people, when they reach their mid-50s, start to think about the gentle pleasures of retiring

Not so David Hockney. The 56year-old Yorkshireman — who. ironically, has become koown worldwide as the quintessential painter of California, where he has lived since 1976 — is if anything stepping up the pace. He will have new paintings and drawings exhibited this year and next an autohibited this year and next, an autohiography has recently been published, both new and restaged opera works are planned and a couple of reurospective shows threwn in for good measure.

"My work will be stopped when I fall over," declares the bespecta-eled artist, only half-jokingly. In an interview on a recent spring day in the orange-walled, bluecarpeted den of his Hollywood Hills home, Mr. Hockney exuded an engaging blend of restless schoolboy energy and bone-dry Noel Coward wit. From the gaily colored solas one could see his pool - made famous in his 1970s paintings of lithe male bathers surrounded hy bougainvillea in brilliant bloom. He was preparing to fly to Houston, where his voluptuous set designs for Puccini's Turandot, first created for the San Francisco Opera last year, were being remounted for a production by the Houston Grand Opera April 21-May 8,

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Assistants wandered in and out as he showed a video he had just made of recent abstract gouache paintings and cravon portraits of family and friends, The portraits will be exhibited at the 1853 Gallery in his birthplace of Bradford.

England, in July and August; the show then travels to the Andre Emmerich Gallery in New York and to L.A. Louver Gallery, where an exhibit of new abstract works has just closed.

An acknowledged modern mas-ter of drawing, Mr. Hockney will also have a major retrospective of his works in this medium being organized by the Hamburg Kunsthalle. The show is due to open in 1995 and will travel to London's Royal Academy of Arts, the Centre Georges Pampidou in Paris, the Lorente Georges Pampidou in Paris, the Los Angeles County Museum of Art and the Guggen-heim Museum in New York.

"I see the world as beautiful, and I try and point it out in others," says the artist. "I think we should see it as beautiful; for us to deny that would be terrible. And it's often denied because we can't look at it right."

Mr. Hockney has dedicated his working life in learning to "look at it right." Creating thought-pro-voking art as a student at Lon-don's Royal College of Art in the 1960s, his earliest works mixed fig-urative and abstract elements in offbeat ways, faithfully reproducing the conventions of representa-tional painting while playfully re-minding us that art is, after all, only make-believe.

After coming to California for the first time in 1964, Mr. Hockney had an artist's love affair with pool water, depicting it in snaky squiggles, with interlocking masses of limpid greens and blues, and in swishy brushstrokes dissolving into mosaics of light. He also captured the landscapes of Los Angeles — the boxy modern huildings, the twisty canyoo roads, the textures of sea, mountain, and subtropical foliage - in increasingly complex paintings get to the screen," he says.



A gouache drawing by David Hockney, 1994.

that by the 1980s bad become fullhlown meditations on the mechan-

ics of seeing.

A selection of these works can be seen in "Hockney in California," an exhibit at the Takashimaya Art Gallery in Tokyo through May 10 that will travel to Kagawa, Fukushima, and Chiba.

Mr. Hockney has worked with a wide range of media — from his Cubist photocollages of the 1980s and his opera sets, to printmak-ing, faxes, xeroxes, video stills, and computer art. What underlies these all is a playful sense of experimentation and a desire to find new and, he believes, ever more accurate ways to reproduce what

the eve sees. Take his latest project, a commission to design sets for a televised opera contest in be hosted by Placido Domingo in Mexico City in the fall. One reason he's screening a video today is to see how painted colors turn out on the TV screen. "I think we can make fantastic color that you've never seen before because nobody's taken the trouble to think about how the color should

This sort of investigation has brought him under fire in some quarters. His strongest work in recent years has been outside of the anointed realm of painting, "Many artwatchers who have continued in bve in hope of something impor-tant to come," wrote one critic last year, "believe Hockney has become sidetracked in a blind alley of per-manent experimentation."

Mr. Hockney some upperturbed

Mr. Hockney seems unperturbed by these criticisms. "When you get in be my age as an artist, you don't really care what criticism there is. I've had the great advantage in my life that I've never been taken too scriously, because you're more or less left alone to do whatever you want to do," he laughs. "I pursue my own intuitions, and they've nev-

Another volley be sometimes takes is for the sunlit optimism of his work. Lately, bowever, a subtle sense of emptiness has crept into the paintings, billowy abstract landscapes unpeopled by figures. He discusses his isolation.

which is partly the result of encroaching deafness, in his autohiography, "That's the Way 1 See

It," which was copublished in November by Thames & Hudson in Britain and Chronicle Books in the United States. Long an open homosexual, Mr. Hockney also admits that the ioneliness grows out of the deaths from AIDS of more than two dozen friends.

"My answer to the idea 'Your art's too pleasing' is that I have to make the art I need and feel is in me," he says. "I'm deeply aware it's not a perfect world, I'm deeply aware it's full of sadnesses. Nevertheless I think a visual art that is a pleasure to the eye is quite important. The urge in pleasure is very strong io us. What I do, I hope, is express my own joy in the world, no matter how bad it is."

DIANA RICO, editor of International Documentury magazine, writes for ARTnews, Harper's Ba-

## 15 Minutes' Fame, Continued

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By Dana Micucci

ITTSBURGH — A city best known for its steel, hills and hridges also happens in be Andy Warhol's hometown and the site of one of the major American art events this year.

The Andy Warhol Museum, billed as the most comprehensive single-arrist museum in the world, will open its doors May 16 in a renovated historic warehouse in downtown Pittsburgh. The museum will house a collection of more than 3,000 works by the

Pop artist, the largest holding of Warhol's art.

Many of the paintings, drawings, sculptures, photographs and films, which have been donated by New York's Dia Center for the Arts and The Andy Warhol Foundation for the Visual Arts, have never before been exhibited. The Carnegie Institute in Pittsburgh, a third partner in the project, will provide financial and administrative support.

The idea for the museum was initiated by Dia, which had been organizing an ongoing series of War-hol exhibitions. Philippa de Menil, the noted art collec-tor and patron of Dia, reportedly secured agreement from Warhol before his death in 1987 to pursue a longterm venue for his work.

"Our aim is to present the life and work of Warhol, one of the greatest innovators of our time, in the context of 20th century art," says Thomas N. Armstrong III, director of The Andy Warhol Museum and former director of the Whitney Museum of American Ari in New York. "The scope of his creaove activity was extraordinary. More than any other figure of this era, he challenged our way of thinking about art."

The museum's collection, selections from which will fill six floors of galleries, comprises a full range of Warhol's works from the mid-1950s to the late 1980s. Nomble among them are his sculptures of Brillo boxes and Heinz boxes, the silkscreen paintings "Three Marilyns," "Elvis (11 Times)," and "Campbell Soup Can," and films from the '60s, including "Empire" and "Sleep." Also on display will be his self-portraits, "Disaster" and "Last Supper" paintings, and commissioned portraits from the '70s of Mao Zedong, Mick Jagger, Princess Caroline of Monaco and others.

A special feature of the museum is its vast archive of the artist's correspondence, diaries, source materials for paintings, 2,500 videotapes and audiotapes, and over 600 "time capsules," boxes filled with such ephemera as letters from Liz Taylor, magazines, postcards, junk mail and restaurant menus that Warhol collected in document his daily life.

"It's central to Warhol's long-term legacy to have this tremendous expression of his art in one place." says Archibald L. Gillies, president of The Andy Warhol Foundation for the Visual Arts. "The Andy Warhol Museum is similar in concept to the Musee

Page 9

Picasso in Paris, but it's bigger and more varied." The notion of a single-artist museum is fitting for a prolific artist like Warbol, who worked in such a broad

prolific artist like Warbol, who worked in such a broad variety of media, according to Charles Wright, director of Dia Center for the Arts.

"It's appropriate to see Warbol's work en masse in a large space," says Mr. Wright, whose mission at Dia is to present the work of single artists in great depth.

"The new museum will give one an idea of the obsessive way in which he worked."

The Andrew Werbol Museum will also offer lectures a

The Andy Warhol Museum will also offer lectures, a public education program for neighboring schools, a bookstore and cafe and screenings of Warhol's films and videos in a theater equipped with original 1928 Marcel Breuer chairs from a movie house outside

Warhol was born in Pittsburgh in 1928. He studied design at Carnegie Mellon University, and in 1949 moved to New York City, where be became a successful commercial artist.

His meteoric rise from artist to Pop icon began in the early 1960s, with exhibitions of his paintings and silkscreens. Throughout the next two decades, his artistic output grew to include films and videos, the rock group "Velvet Underground" and Interview magazine, all part of a commercial empire that made Warhol a cultural phenomenon worldwide.

"Anyone who wants in understand the 21st century, whether a scholar, engineer or poet, will have in see how Warhol understood the 20th century," says Kasper Konig, dean of the State University for the Fine Arts in

A selection of Warhol's art will be on display in Europe in the coming months. An exhibition of his abstract works from the '70s and '80s. including his camouflage paintings, will be at the Rooseum in Malmo, Sweden from May 21-July 31, and will travel in I.V.A.M. Centre Julio Gonzalez in Valencia. Spain

The Anthony d'Offay Gallery in London is presenting a show of Warhol's portraits from the '70s and '80s through May 28, while an exhibition of 47 works on paper by Warhol will be on view at Munich's Edition Schelimann from April 27-Sept. 30.

DANA MICUCCI is a journalist based in New York.

# Roots of Sotheby's Global Art Empire

By Barry James

N 18th century book-seller who hit on the idea of auctioning book collections for the arislocracy sowed the seeds of Sothchy's, the world's biggest fine arts sales empire, which is celebrating its 250th anniversary this year.

With operations in more than 100 countries and sales of more than \$13 billioo last year, Sotheby's traces its origins to Samuel Baker, a London bookseller who set up in business in 1733. He arranged the first auction of a library inder his own came in 1744. which sotheby's counts as its offi-

cial year of birth. An important theory in aesthetics helds that anything can be-come a work of art provided that "the narket" accepts it as such. Sothery's and its main rival Christie's are key players in this market.
And with its lavish and heavily publicized shows, Sotheby's has played an important part in driv-

ing at prices upwards.

I is a question of knowing how taste are evolving and how oppor-tunities are moving," said Diana Brooks, the recently appointed president of Sotheby's Holdings. Asia, she added, "is a part of the world that is going to be extremely important because of its economie

looks provided the bulk of Soneby's livelihood for its first 20e years, but in the past half-century it has branched out into seling anything from hibelots to real estate, virtually anywhere. Baker's first sale of "several Hundred scarce and valuable

Books in all branches of Polite Litcrature" fetched what was, at the

time, the whopping sum of £826, Eleven years ago, Sotheby's sold a single book for £8.14 million (\$12 million at current rates), a world record still. The price paid for the Gospels of Henry the Lioo by a consortium of German states and banks was also at that time the highest price paid for any work of art. The book is on display at the museum in Wolfenbuttel, near Hannover.

Baker and his successors bandled most of the great libraries

sold during the next 100 years, including that of Talleyrand.

In 1767, Baker went into partnership with George Leigh — a gifted auctioneer who exploited his natural sense of theatrical tim-

ing to push prices higher.

"When a high priced book is balancing between £15 and £20, it is a fearful sign of its reaching an additional sum if Mr. Leigh should lay down his hammer and delve in in his snuff box," said one

contemporary.

The first Sothehy was Baker's nephew, John, who extended the company's role to take in the sale of prints, coins, medals and anoq-

uities. The last of the Sothebys died in 1861, Since then the company has gone through the hands of various partners.

lo 1917, the auction house moved to New Bond Street, where its sales of works of fine art and antiquities began to outstrip those With the decline of many of the

great British country houses in the 1920s, Sotheby's hit on the idea of organizing sales in the old homes themselves. The company bounced back quickly after World War II, taking advantage of the partial relaxation of exchangecontrol regulations that enabled London to become once again an international auction center. In 1955, Sotheby's opened its office

in New York. The fine arts business began booming in the late 1950s with the first of the major sales of Impressionist and post-Impressionist works. In 1957, Sothehy's held its first evening sale since the 18th century, with guests and bidders asked to wear evening dress. The collection of seven paintings fetched £781,000, including Cezanne's Garçon au Gilet Rouge,

which was sold to Paul Mellon for

£220,000 -- seven times more than had been paid for any modern painting at a British auctico.

Sioce the opening of the New York office, Sotheby's has concentrated its development abroad.

The 1980s saw a booming market in most categories, and in 1987 Sotheby's sales topped \$1 billion for the first time. They shot up to \$1.8 billion the following year, \$2.9 billion in 1989 and \$3.2 hillion in 1990, only to fall back to \$1.3 billion the following year with the Gulf War and the onset of

After two more relatively lean years. Sotheby's says that confidence and growth are returning to the market. Mrs. Brooks said that a realistic market "would be be somewhere between where we were and where we are."

Forthcoming sales include the shark that once hung in the Harrod's food hall, four original gypsy caravans. China's most valuable stamp and a Turkish oil lamp, as well as more traditional fine art objects and paintings.

BARRY JAMES is on the staff of the International Herald Tribune.

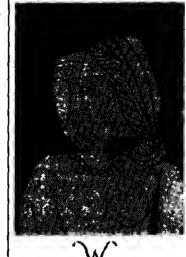
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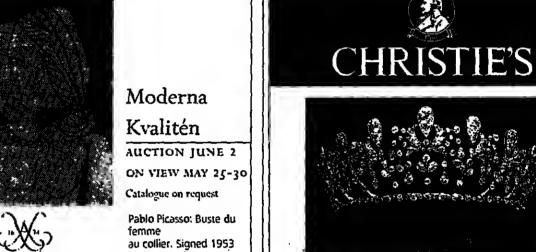
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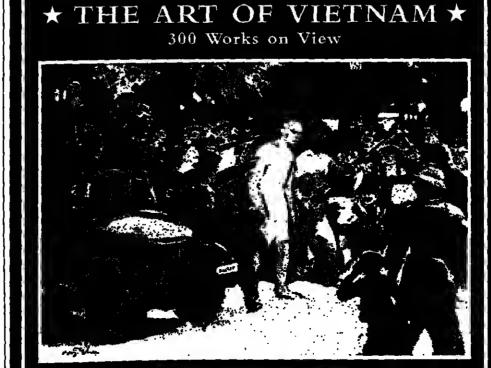
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# Is Market for Precious Stones Sparkling Once Again, or Just Blinking?

By Souren Melikian

IGOROUS or softening? Depending on who you listen to - the gem professionals or the auction house experts — the answers have never been so widely divergent in the jewelry business.

At the top, the market looks reasonably impressive. On April 12, Christie's had every reason to congratulate itself when a star ruby and diamond ring, which it expected to knock down between \$220,000 and \$260,000, rose to \$1,080,500, setting a world record for a star ruby at \$41,000 per car-

This one had a star design with remarkably straight, clear-cut lines. Given its deep red color and the large size - 26.40 carat - this made it irresistible. But while professionals thought it might double the high estimate, oo one dreamed it would multiply it more than

The buyer's name is Mohammed Mahdi al-Tajir from the United Arab Emirates. His collection of European silver from the 17th to the 19th century could be admired in a London show in January 1990. Stone professionals will be surprised to learn that Mr. al-Tajir is also prepared to go for the top in rare stones.

Two days later, it was the turn of Sotheby's to enjoy triumph with big gems. At \$4,402,500, a dia-mond necklace with 10 pearshaped pendants of D-color, internally flawless (in the jargon of the Gemmological Institute of America, this describes the top of the top) has become the most expensive necklace ever sold at auction. The signature of Harry Winston obviously made a difference. As a eweler who insisted on remaining anonymous pointed out, he alone in the past would have had the financial ability to buy as well as the courage to keep long enough the 10 diamonds, which together eigh 99.34 carats.

Today, this would probably be impossible for anyone including the Harry Winston firm. (The two sons, Bruce and Ronald, who took

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existence of Harry Winston, as the Miami Herald concluded in Janu-

The anonymous jeweler reckons that it would have taken Harry Winston at least a year to gather and cut the stones to perfect symmetry. In some cases, this probably involved a small loss of weight and, therefore, increased the cost. In addition, there were many smaller diamonds whose color grades, conveyed by letters of the alphabet according to the system of the Gemmological Institute of America, were not nearly as good as "D." All together the investment, even for such a powerful company, must have been phenomenal before the object was eventually sold. Here too, the rarity of the finished product was the

key to the successful outcome. Yet there was no great rush. The unprinted estimate quoted to New York professionals was \$4 million to \$5 Million (without premium). But the stonecutters and retailers alike kept saying it was worth per-haps \$3.5 million to \$3.6 million, including the 10 percent premium. In the event, it was bought by Ahmed H. Fitaihi, president of the retailing business based in Jeddah name. Mr. Fitaihi, who confirmed in a telephone interview that he did acquire it, said he had bought

it on the reserve. John D. Block, director of Sotheby's jewelery department, for his part assures that he had "three bids on the telephone at \$3.5 million." That does not actually contradict Mr. Fitaihi's contention. Many in New York jewelery cir-cles are convinced that he was indeed the only real contender.

Nor is it by any means the only significant acquisition that the Jeddah jewel merchant made that day. Minntes before, the other sensation in the sale was a "Fancy Blue Natural color diamond, the largest round brilliant cut diamond of fancy blue color (13.22 carats) ever offered at auction." Sotheby's catalogue entry observes. It climbed to \$4,237,500.

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Seven Tomatoes, 1992

over the company are locked in a highly publicized dispute that paralyzes and even threatens the very for a blue diamond. The record price for Fancy Blue Diamonds now stands at \$500,000 per carat.

These twin purchases made Sotheby's day and were enough to raise its sales to nearly 50 percent more than Christie's. They also serve to underline the extraordinary fragility of the market which, in the past four years, has been increasingly dominated by a single buyer. Mr. Fitaihi emerged rather suddenly on the international scene in the autumn of 1990. In November last year, according to one stonecutter, 70 percent of Sotheby's sale by value in Geneva was bought by the Jeddah mer-

This time, according to the calculations of a professional who declined to be identified, had Mr. Fitaihi not been bidding, the fail-ure rate by value at Sotheby's and Christie's would have been around half the total knockdown in both houses, instead of just over 20 per-cent at Sotheby's (where sold items added up to \$29.5 million) and 31 percent at Christie's, which sold \$20.2 million, worth of jewels. In other words, the apparent bullishness at the top, with prices sailing close to all-time highs, conceals a certain lack of stamina. The one-horse cart could topple if the only horse stalled. Some stonecutters and retailers who are now the main source of supply of auction houses are deeply concerned about the current trend. Compounding the problem, the auction market in the middle area, say for good diamonds weighing 5 to 8 carats, is getting softer from one sale to the next John Block said that in mid-April there was "no

At Christie's on April 12, a

support from the trade."

stone ring with a pear-shaped 3.66 carat diamond of G color and VS1 clarity was bought in at \$20,000 -\$5,400 per carat - without any bid coming from the room. It was estimated slightly on the high side at \$8,200 per carat. But a jeweler said it should have sold. If you wanted one in the trade, you would have had to pay \$7,000 to \$8,000 per carat. At Sotheby's there were similar cases. A 3.25carat diamond ring was bought in at \$13,000, below the \$15,000 to \$20,000 estimate. It has oo color or transparency grading certifi-cate. A professional who looked at it says it is probably H or I on the Gemmological Institute of America chart. There are just no takers

for these kinds of stones.

But William Goldberg, the re-nowned New York stonecutter, corrects this impression of a weaker market for small stones by citing his own experience at the Basel fair in April where the family business sold several stones in this range. His view is that there were too many mediocre, undesirable stones in recent auctions.

Undoubtedly, things only look up when a rarity factor comes in. Signed jewels incorporating important stones do well. At Sotheby's, a ring with the signature Winston oo the platinum mount carried a 33.6 carat diamond rated by the GIA to be D color, and VVS2 in clarity. But the working diagram ootes that it is "potential ly flawless." In plain English, by repolishing and reducing its weight minimally, perhaps to 33.55 or 33.58 carats, it will turn into a so-called flawless stone of the highest order. Hence the \$2,147,000 that it eventually

This represents \$64,700 per carat and compares with the \$62,628 per carat which was given oo June 15, 1987 at Sotheby's New York for a 35,87 carat flawless diamond. In the category immediately under the top, the price level is pretty much the same as in 1987. Nor

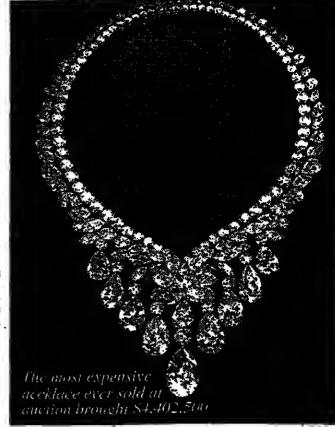
should this come as a surprise. Much the same state of affairs is to be observed in various areas of the art market.

Another example of a successful signed jewel is the sapphire and diamond necklace made by the Swiss-born Ostertag in Paris around 1935. At \$937,500, it exceeded even Sotheby's expecta-

At Christie's the pattern was the same. A diamond necklace with two rows of graduated circular-cut diamonds flanking a central band of three-stone motifs imitating leaves was designed by Harry Winston in the early 1950s. GIA certificates indicate the stones were of F or G color, with varying grades of transparency. It went up to \$541,500.

Both rooms now pin their hopes for the future on the Far East, with Christie's running ahead of Sotheby's. On Oct. 10, 1993, it held the first ever auction of jewelry and watches in Taipei.

On May 2 and 3, François Curiel, director of jewelry sales at Christies worldwide, will be conducting the first jadeite jewelry and watches auction in Hong Kong. On the glitz market, the oow extends to the Far East.



# As Auctions Decline, Dealers Dominate in Medieval Works

By Souren Melikian

ONDON - Slowly, the market peodulum is swinging back in favor of the trade versus the auction houses when it comes to the art of the Middle Ages, the Renaissance and the early Baroque Age. Last March, at Maastricht,

walking through the stands of the dealers who specialize in the field was like going through one of those fabled auctions, replete with works of every category, in every price bracket that were still being held a decade ago. The only difference is that they were oot illustrated in one catalogue as is the case in auction houses, By contrast, leafing through the two catalogues issued this month by Christie's and Sotheby's where the art of six or seven centuries is lumped to-gether under the faintly ridiculous title "European Sculpture and Works" was a disappointing experience to anyone used to the abundance of yore.

There was a telltale similarity between the covers of Christie's catalogue on April 20 and Soth-cby's catalogue of April 21. Both

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had so little qualifying as "Medi-eval" that they laid emphasis on early Baroque sculpture. Christie's cover reproduced the detail of an early 17th century bronze figure of Venus from some Venetian workshop, perhaps that of Niccolo Roccatagliata. It was sold for £9,200 (\$13,610). Sotheby's ran a marble group of Jupiter and Juno. merely characterized as "French, second half of the 17th century." That went for £33,350.

The selection of such objects as cover lots underlines the slow decline in quality of what is on offer at auction. Both were good, but oot brilliant. Sure enough, there was much in both catalogues that looked like filling io, which showed in the outcome of both sales. Of the 111 lots entered by Christie's, 41 were left unsold. At Sotheby's there were 225 casualties out of a total 423 objects or groups of objects. While the total sold added up to £785,620, this is not much of a performance.

Above all, there was nothing to match in quality the finest of the Maastricht fair objects, nor, even more importantly, to create the surprise effect that is essential to grip the collector's attention. The star at the fair, not just in

Massricht's assemblage, but for the whole season so far, was the 142.7 centimeter (57-inch) statue of Isabella the Catholic, Queen of Spain. Carved in the mid-1490s, the style of the polychrome wood piece is reminiscent of Gil de Si-



Oueen Isabella of Spain

At the "private" viewing, the representative of the Ministry of Culture announced that Spain was buying back the stame, which had been lost sight of since it had been sold in New York in 1927. It was to be set up at the top of the grand staircase of the Alcala de Henares University in Madrid, founded, precisely, by Isabella. Trade sources say the price was over

berg of Haarlem, two large stone fragments from a baptismal font caught the eye. The figures of apostles or saints standing in high relief under Romanesque arches had the stiff diguity of early 12th century sculpture in Northern Eu-

They were acquired by the city of Maastricht for the Treasury of Saint-Servais (Sint Servaes in Dutch) in the Romanesque cathedral which has a few exceedingly precions works of art from the Middle Ages. The price was in the area of \$70,000.

When it comes to the Renaissance and the Baroque period, an abundance of high-quality wares at Maastricht compared with the auction houses was more astonishing still, in terms of sheer ournbers. On Reijgersberg's stand alone, I saw four objects that qualified as museum works. A casket designed like a gable-ended house constructed of very heavy planks, beautifully carved with a low relief pattern of the late Renaissance, was fitted with etched steel mounts Nuremberg fashion. Inside, shallow circular cavities where leather bags filled with gold coins would sit without moving, revealed its destination as the travelling safe of some banker. One might just imagine Fugger on the move. The asking price was 80,000 guilders (\$42,100). Within hours

the casket was gone. So were two low-relief carvings from some large-size group in the best early Renaissance style of Antwerp, probably in the 1520s. The two characters, one wearing of these objects would probably

in Renaissance Italianate iconoglims, the other in Western armor. are seen moving forward with a swinging clan that is remarkable. The two were sold together in the area of 125,000 guilders. My own choice would have been

a copper basin executed in repoussé around 1650. It was recovered about 10 years ago from a canal in Amsterdam. The inner well is lobed, obviously under the influence of some shapes in Chinese porcelain, which by then was im-ported into Holland by the thou-sands The deep black sheen of the patina adds to the attraction of the object, otherwise in perfect condi-tion. It was probably buried deliberately, possibly with the personal belongings that could not be burnt of some victim of the plague, or cholera, as was customary to stem the spread of the epidemic. It is so unusual that one well-known dealer turned it down some years ago, pronouncing it to be a fake. The object, which carried the modest price tag of \$2,400, can now be admired in the Amsterdam Histori-

cal Museum. Examples of rarities of this type, not all sold at once, can be multiplied. Axel Vervoordt, an Antwerp dealer, was displaying a hitherto unrecorded set of four portrait medallions cast in bronze, in the greatest Fontainebleau school style around the middle of the 16th century.

For a variety of reasons, some

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the Ottoman-style turban reserved never reach the auction houses. In some cases, they might not have raphy for Middle Easterners, been recognized for what they are, whether intended as Jews or Mussuch as the two low relief figures from the scattered Antwerp ensemble. Or they might have not been deemed "commercial" enough, such as the \$2,400 Amsterdam basin. All fundamentally appeal to a very small number of highly sophisticated buyers. The atmosphere of hysterical competition in which prices can be hyped to death has no influence on them. Other objects need to be considered at length before reaching a decision, as for example the French bronze portrait medallions. Again, the auction house is not the ideal place.

But, above all, dealers have the patience, the know-how and, not least, the contacts in the collecting world to find them. Auction houses have a few months to build up a sale. Dealers can takea year, or much longer if they want to, to prepare for an art fair. Visitors see more at Maastricht than they do in any auction and they have more time to make the final decision to buy than the split fraction of a second when the auctioneers gav-

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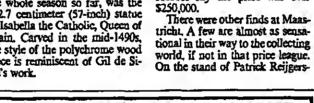
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"Le Héron," by Alfred Sisley, top left, and Frédéric Bazille, below. At right, Renoir's painting of Bazille at work.

# The Road to Impressionism

By Michael Gibson Imernational Herold Tribune

ARIS - The style we know as Impressionism was full-fledged in 1869, but the Franco-Prussian War postponed its coming-out party by five years, and it was only in 1874, io an exhibition organized in Nadar's gallery, that the world was finally given the opportunity of discovering the new idiom. The exhibition now at the Grand Palais, which traces the movement's gestation throughout the decade up to 1869, is fascinating for several reasons.

There is the obvious delight of seeing and comparing nearly 200 outstanding or signifi-can works from various parts of the world hanging briefly side by side. There is also something particularly relevant to our present situation: The show opens with a section devoted to the 1859 Salon that may seem appropriate in view of the currently confused state of the arts.

The consensus of critics visiting the 1859 Salon was that the arts were in the doldrums. Craftsmanship had undeniably reached an alltime high, but it was being used to express silly. narrow conceits, and the former hierarchy of established values no longer appeared relevant. Historical painting, which until then had been thought the highest form of art (see David or Delacroix), was on the decline. Religious art was downright morihund. As critics observed, lesser art forms (the landscape, the genre scene) were becoming dominant.

. JESF

'Art has become a senseless repetition," noted Zacharie Astruc, and Charles Baudelaire, while drawing attention to the works he regarded as outstanding (Delacroix and Fromentin), concluded that there was "no explosion: no

unknown genius." "Imagination is without credit," he complained, "grandeur is despised, accent is laid on

craftsmanship alone." These criocs were mostly giving expression to a mood, for the Salon offered some fine paintings, including Delacroix's "Ovid Among the Scythians," a wide mountainous landscape in which the traveler is seen reclining and chatung with the barbarians while a docile mare in

the foreground allows herself to be milked. But next to that stood the dreary perfection of Jean-Leon Gérôme's "King Candaule" or William Bouguereau's "Day of the Dead."

In this pessimistic perspective, Astruc's conclusion appears all the more prophetic: "Would you believe, as you contemplate this decadence, that one would oeed at most 10 years, with the help of intelligent stimulation, to bring about the finest period of art?"

The complex web of moods and notions guiding the production of art at the time reflected equally complex social patterns, but other progression in texture and color between, say, a twilight landscape by Charles-François Daubigny, executed at the inception of this period, and the luminosity of Monet's "Garden in Sainte-Adresse," done in 1867.

ft is not just a matter of the former being done in the declining light while the latter stands in dazzling sunlight. Danbigny also painted scenes in broad daylight, but his color scale tends to be muted and somber and, above all, he seems obsessed with the ponderous substance of wood and stone. He does not so much paint the light glancing off various surfaces, as the dense, dark material that lies beyond reach of the light. There is a fatalistic mood here, which is still romantic in a subdued way, rather in the way Flaubert's "Madame Bovary," published in 1856, may be said to partake of both of these states of mind.

The exhibition is divided like the traditional Salon into various subjects: Landscape, the Nude, Figures in a Landscape, Still Life, Portraits, Impressionist Landscape and Modern Life. In each case the shift in the approach over the decade is striking, but it is most ohvious in

the nude. Manet's "Olympia" and his "Dejeuner sur "Herbe" were both found offensive, though for different reasons, "Olympia" was perceived as a prostitute, and her flesh was dull and rather opaque, instead of being pink and translucid. In this sense the sordid aspects of "real life" were seen to invade and degrade the "spiritual

and ideal" realm of the arts. Even stranger and more disquieting nudes. less noticed because of their smaller format, were being painted, toward the end of the decade, by Cézanne. One is "Une Moderne Olympia," with its obvious reference to Manet's work, including a semi-nude black woman appears to be fanning the woman on the bed. The oddity here is the woman's posture, and the presence of a fully clothed man (as in Manet's "Dejeuner"), who sits there glaring at the woman with sullen intensity. The difference is that Cezanne was still work-

ing out his powerful, apparently dangerous fantasies in extraordinarily violent paintings, while Manet was very much in command of his work, which was socially provocative but did not reflect a deep, unresolved conflict.

Cezanne, however, ultimately worked his way out of his labyrinth and found a form that was both undeniably modern and exceptionally halanced in a classical sense. It was thus a triumph through art which could only be achieved by first passing through the Dantean Inferno of the paintings of aggression and im-

NOTHER illuminating comparison is that of Eva Gonzales's "Enfant de Troupe" and Manet's "Fife Player" - identical subjects. The former stands in a real, well circumscribed space while the latter is set in a luminous void, and Manet's brush stroke already heralds the free-flowing, aerial spirit that came to be called Impression-

The shift in social values that occurred at that time in France, and the conflicts this brought on, are apparent in the evolution of the subject matter treated in the arts. But there is also something else, something less easily circumscribed, which appears in the range of colors. the evocation of light, the transition from the laborious, conscientious, craftsmanlike brush stroke to the swift, light, darting and evocative flick of the brush that catches, not the eternal essence of the figure or the landscape, but the elusive essence of mutability. This was the new preoccupation of the age.

The exhibition remains in Paris to Aug. 8. It

goes to the Metropolitan Museum of Art in New York from Sept. 19 to Jan. 8.

# Sotheby's Loses a Rising Star

ARIS — Sotheby's has lost its rising star in the Old Master paintings arena. Etienne Breton, director of the Old Masters department at Sotheby's France, has revealed that he is resigning

After nearly eight years in his present capacity, Breton is to join forces with Marc Blondeau SA, the Paris art brokerage and consultancy operation set up in September 1987 by another former Sotheby's star. Breton's departure has farreaching implications for the com-

### **SOUREN MELIKIAN**

pany. He belongs to the tiny elite of those who went into the art business driven by an early and intense desire to do so.

Breton said in an interview that

his vocation was triggered by the visit of a French dealer to his parents' apartment while he was attending high school. They needed a valuation of the family paintings. As the late François Heim strode into the drawing room with his determined military bearing, he caught sight of the portrait of a woman hanging over the chimney and said as a matter of course: "Ah, you've got a good Thomas de Keyser there." The ability to identify at first glance the work of a little-known Dutch painter of the 17th century greatly impressed the teenager

He, too, would be an expert. After graduating in art history from the Sorbonne, the young man dld the art training course at Sotheby's in 1982-1983. This was followed by a two-month spell under a French expert Jacques Kantor and another 17 months in the employ of the art dealer Jean Gismondi, for whom he built up a small choice collection of 18th-century masters. In July 1986, Blondean, who was head of Sotheby's France, hired him to become Sotheby's expert in Old Masters and put together the Monte Carlo sales in the field.

Blondeau's instinct was quickly proven right. Breton's eye was sharp. He performed an early stunt when a young student called Philippe Guinot came in with a painting he had just bought at a French provincial auction for a few hundred francs. This, Breton quickly found, was a preparatory sketch for Charles Le Brun's "Scevola Confronting Porsenna," painted about 1640-1650. The hunch was brilliant. The early work is in a strong Caravagesque vein, Bréton took it into his sale with a 150,000 to 250,000 franc estimate. Helped by the surprise effect, the sketch climbed to 555,000 francs. The student was over the moon. He later

Bourg-en-Bresse.

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36 Marvy

37 Collect

27 Simon & Garfunkel's

Greater finds were to follow. One day Brêton saw a farmer walk into his office with a family Dürer, wrapped up in a brown pa-. per. Unfortunately, the Durer was a copy. The farmer bit his lip and said he would come back. He had plenty more at home. Breton firmly encouraged him to put photographs in the mail rather than go to so much trouble. The photographs duly arrived. It was Breton's turn to bite his lip. To his disbelief, a whole group of unrecorded works by the rare Neoclassical painter Anne-Louis Girodet could be recognized from the amateurish snapshots. He rushed to see the farmer.

Among his pictures, the portrait of a melancholy child dated 1800 stood out. He is seen leaning threequarters, holding a book open dan-

53 Up

54 Mess of hair

56 Not working

57 L'chaim, e.g.

60 Building block

63 How dogs kiss

66 Triple Crown

69 Female lobstets

70 Sites of many brawls

76 Felix, for one

77 More or less

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82 With bated

84 Physics unit

85 Workers in

Detroit make a dash for it

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75 "Later"

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Josse Lieferinxe painting of the Visitation, sold for 1.3 million francs.



Etienne Breton, who will join a Paris art brokerage.

gling from his hand. The title of a Latin grammar leaps to the eye, "Les Rudiments." Back home, Bréton discovered that a portrait by Girodet was sent to the Salon in 1800 under the title "Portrait of a Child Studying His Rudiment," as the salon catalogue called it. Eventually, Bréton came across a print by Mondsaldy and Devisme that bears out the verdict. It is a view of the Salon room with the pictures hanging and, right in the middle, there appears the melancholy child.

The 1800 catalogue even names the sitter, Romainville Trioson, son of the doctor who was Girodet's patron. Along with the other Girodets, the portrait was included in Sotheby's June 16, 1991, sale with a 1.5 million- to 2.5 million-franc estimate. Later, however, it was pulled out. Pierre Rosenberg of the Louvre wanted it and Brelon negodated a private treary sale through Sotheby's to the museum.

But Breton's greater satisfaction in that sale of the farmer's pictures. which netted over 11.1 million francs, was identifying a "Visitation" painted in an unusual style. halfway between Flemish and Italian Primitives. It turned out to be an unrecorded section of a retable of Mary's life of which three others survive. The retable is the work of an artist known only by his other retable, similarly broken up, the Retable of St. Sebastian.

92 Dr. Seuss's

93 Out of the wind

97 Orchestrate

100 White House

Zoo"

They have been ascribed to a

from 1493-1508.

change that has affected auction more when he joined the company. that his own estimate is inflated. Now this accounts for less than one-fifth. The economic constraints resulting from the fierce competition between Sotheby's and Christie's have led to often

self-defeating, cost-cutting efforts, Marketing has taken over at the expense of connoisseurship, Departmental heads are requested to submit budget projections a year ahead, which can only be done by imagin ing things. Consigners rarely send in their goods more than four or five months before a planned sale. Fixed budgets are set by administrators for the production of catalogues three months before the sale, on the basis of the estimated value of what is in hand, when the best frequently comes in later, at the eleventh hour, which necessitates impossible juggling. And the list goes on.

LL this made it bard to

resist the prospect of joining Blondeau SA. held out to Breton the moment the expert, now 34, mentioned to Blondeau that he was thinking of looking for other ven-ues. Blondeau himself followed much the same line of thinking a few years earlier. He too found that the upper hand gained by administrators from the world of finance, the increasing volume of paper work and what he described as the management effort at mind control, made the job unattractive. After 18 years spent with Sotheby's where he was one of the pillars of the Impressionist and Modern Art establishment, Blondeau lest to set up in September 1987 the world's first art brokerage and consultancy operation led by an insider from the auction world.

His fundamental idea is rooted in common sense. In the present market structure, where auction painter called Josse Lieferinze, do-they are commercial outfits whose structural changes.

cumented as working in Provence aim is, quite naturally, maximum profit, art buyers and vendors need Why did discoveries such as an independent advisory hody these, of which he made many which has no personal stake in more, fail to keep Breton happy? what is sold. The auction house Largely, he says, because of the sea expert who puts the sale together is under pressure to sell as much as he house life in the last four years, can, for the highest possible price Finding and researching pictures He is not likely to say candidly that took up 60 percent of his time or his pictures are not very good, or

Vendors are confronted with parallel problems. Should they sell a given work at auction? Privately? And just what is the potential value of what they own? On all these scores, the opinions given by dealers or auction house experts could be influenced by their desire to handle the sale.

Blondeau's basic principles are simple. On direct advice to buy he charges a fixed fee, 3 percent at auction, 5 percent in private transactions. On sales he handles, his charge is 10 percent to the vendor, less on important items. Blondeau prefers not to buy from clients. He does so only at the express request of a vendor eager to avoid the publicity of an auction, or dealers, and keen to sell at once. Blondeau then asks him to state his price, which he

either accepts or declines.

To the last few years, the operation has taken off. Blondeau SA has been advising on a continual basis 12 to 15 very serious art buyers." He conducts about 80 transactions a year on a oce-to-one basis within a \$50,000 to \$5 million range. In 1991, the operation was extended to Contemporary Art. with Philippe Segalot in charge.

With Old Masters to be handled by Breton, a new line of substantial husiness is potenoally open to Biondeau SA. Quite a few old-timers, disgrantled at the prices of lmpressionist art which they see as out of proportion to the general level of prices, are turning to Old Masters, particularly French 18th-century pictures. From Breton, they get the in-depth information and detailed coaching that no auction house expert can find time to give, to say nothing of his psychological conditioning. With art consultancy, a third component, equally removed from auction houses and dealers. houses increasingly tend to present themselves as a public service when market. It could lead to profound

# Freedom and Chaos for Icon Artists

By Sieven Erlanger New York Times Service

ALEKH, Russia - Katerina Shchenitsina, one of the painters of the fine black lacquered boxes that have made this village famous, is painting icons.

She bemoans the regimen she believes is required for devotional art: mixing the paints with bapusmal water, fasting and, worst of all, abstention from television and sweets. But she is a believer, and she can now offer her art to

Some 75 years after the Communists banned the icon painting that Palekh had practiced since the 15th century, replacing it with miniatures of Russian fairy tales, songs and Soviet village idylls, some Palekh artists, like Shchenitsina, have returned to religious traditions.

"Morally and spiritually, life is much better than before," said Shchenitsina, 46, who has been painting for 25 years. She held up a stunning miniature with a biblical theme, checking the faces. "It's important to stop painting at a certain point, to avoid making it ton sweet," she said.

The same point can be made about Palekh, which reflects the larger society around it in this wrenching transition to a new way of life that has made the town richer, but brought almost

as many problems as benefits. With the collapse of the Soviel Union, for which Palekh itself was a much-publicized cultural icon and source of income, there is much more freedom - artisoc, religious, financial, political. But freedom has also brought disorganization, jealousy and competition. Fakes of Palekh miniatures — originals, which are unique, can cost thousands of dollars - have flooded

European and U.S. markets. Some artists are beginning to copy their own work or paint less ambitious pieces in order to

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produce more; local museums can no longer afford to keep up their collections, and compet-ing guilds of painters cannot agree on rules of trademarks, certification or even a quality committee to protect their reputation.

Most strikingly, there is now variety and a new sense of rivalry. The single artists' union, to which all of Palekh's 350 or so painters once had to belong, has been broken up, along with the monopoly the Soviet Union held on sales

There are now seven competing guilds, or arryel, with different organizing principles and

The Soviet Union s breakup has brought new woes to Palekh's artists.

marketing concepts. Without the state as a middleman, artists are now receiving up to 25 percent of the retail price of their work, compared to perhaps 5 percent before.

Green Hill, where many of the artists live in this community of 6,500 people, some 200 miles northeast of Moscow, is now called Capitalists Hill, and there are more private cars to be seen, both Volgas and Volvos.

The collapse of the Communist government's official atheism has also meant that the exquisite local church, the Cathedral of the Raising of the Cross, which is filled with Palekh's ancient icons and religious frescoes, is no longer a museum. It was reconsecrated last year. But even the cathedral - its tiered, tapering tower recognizable on many Palekh boxes - is having

trouble maintaining its cultural treasures. For local bureaucrats and cultural bosses of the old Communist government, the changes have brought a different kind of disaster. The artists are now uppity and the church is reluctant to let in ton many lourists to see the famous murals and icons.

"All these artists want in be creative and independent and take every attempt to control them as dictatorship," said Galina N. Vinogradovna, deputy head of the Palekh district ad-ministration. "It's right that they should profit more from their labor. But for us u brings chaos, not creativity."

Alevtina G. Strakhova, director of the National Museum of Palekh Art, said with a shrug: "Fewer artists are really concerned about maintaining the purity of Palekh art, and some just trade this reputation for money. They can't even get together to discuss their common problems."

Most of the artists would agree. Alexander V. Dudorov, head of the Association of Palekh Artists, said Palekh is a "good example of socialism transferred into capitalism, with all the problems of instability and ignorance."

"Some put the breakup down in creative issues, but I think it was mostly economic," he said. "In 1989, when the borders opened, artists could travel and finally see the real value of their work." Previously, he said, the artist might get a maximum of 5 percent of the retail price for a box; now, the figure is at least 20 percent. But the West's love of things Russian seemed to peak in 1991, and the subsequent instability of currency, customs and taxes - combined with the surge in bad fakes — has meant a more difficult market

and fewer tourists. "The first to suffer from the results of our perestroika was Europe," Dudorov said. "It was the first recipient of our rubhish, ton." All the artists in Palekh might produce a total of 5,000 pieces a year. But the fakes, some of which are postcards pasted to cardboard and covered with floor scalant, are numberless.

### MAYDAY! By Peter Gordon



Solution to Puzzle of April 23-24 Benirschke Il Says "cheese" 12 Expert groups
13 Isn't for a lot of people? 14 Medea's aunt 16 "Live" host 19 Football Hall of 28 "The Selfish Gene topic

Famer Dawson 31 Ricky Nelson's

41 City south of Hamar 42 32-card game 43 "Nonsense!" 45 Battle of Britain

grp. 46 Wing, perhaps 47 Average guy 49 Where Caodaism is practiced

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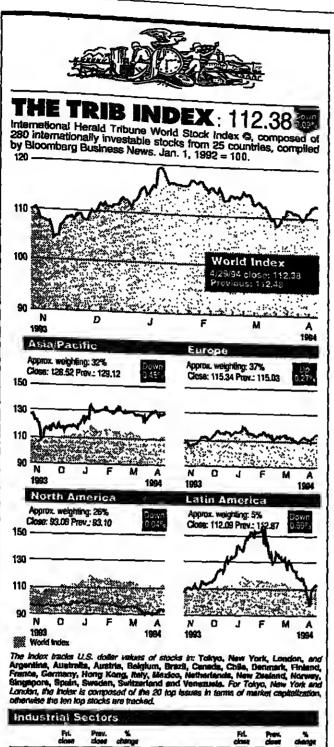
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# **Earnings** Jump At Ford

58% Gain Marks Big Three Sweep

By Doron P. Levin New York Times Service DEARBORN, Michigao

Rounding out a space of positive financial news from the U.S. auto industry, Ford Motor Co. on Friday reported its best quarterly results since 1989, posting a first-quarter profit of \$904 million, up

58 percent from a year earlier.
The results reflected a one-time after-tax loss of \$440 million because of the sale of First Nationwide Bank, a chain of savings and loans.

Last year, Ford reported a \$572 millioo first-quarter profit. Oo Thursday, General Motors Corp. posted a first-quarter profit of \$853.7 million, a 67 percent gain over last year. Last week, Chrysler Corp. reported a record profit of \$938 million.

Improved automotive sales in the United States was the biggest single reason for Ford's improved results. Net iocome from worldwide automotive operations was \$955 million, compared with \$176 million a year ago. U.S. automotive operations accounted for \$835 million of a second seco lion of profit, compared with \$113 million last year. Excluding the First Nationwide write-off, financial services earned \$389 million, down from \$396 million last year. Ford's total revenue for the quarter was \$30.3 billion, up from \$26.8

billion a year ago.
Ford said the latest good financial news should be just the beginning, since automotive sales are expected to grow, "If you think of this in baseball terminology, the recov-ery is in the first inning in Europe and the third or fourth inning to the United States," said David N. McCammon, vice president of finance and treasurer.

Despite the positive earnings news, investor concerns about the duration and strength of the upswing in automotive sales have knocked Big Three shares well down from their 365-day highs in recent weeks, Ford rose 87.5 cents to \$58,375 Thursday, still far below its 12-month high of \$70,125.

# Mutual Funds Do Nicely **Investors Unfazed by Recent Sell-Off**

By Floyd Norris New York Times Service

NEW YORK - A lot of mutual fund investors were frightened by the stock market turbulence in March and April. But even more investors thought it provided a buying opportunity.

"It's a positive sign that the first-quarter sell-off has not hurt investor confidence about wanting to be in mutual funds," said Bruce Speca, a spokes-man for the New England group of funds, who reported that new accounts invested 50 percent more money in April than in the comparable month last year.

Nowhere was that clearer than in aggressive growth mutual funds — supposedly the riskiest of the lot, and an area that one might think investors would avoid in times of nurbulence.

But gross sales of such funds came to 57 billion in March, the Investment Company Institute, a trade group, reported Thursday, breaking the old record of \$5.6 billion, set in January, just as the market was peaking.

"The shakeout in the market hasn't really dented lovestor confidence," said Christian W. Thwaites, a vice president of Aetna mutual funds. who added that if he had been out of touch, with only his fund group's sales figures as a guideline, "I wouldn't have known there was any sort of correc-

At the same time, it is clear that many investors are concerned. As new investors flocked in recently, some of the older ones got out. The net cash flow into aggressive growth funds, after deducting redemptions and oet transfers into other types of

funds, was a relatively modest \$1.6 billion. Over all, the minority of investors who try to time markets by moving money from one fund to another showed a distinct concern in March.

PARIS - After years of pains-

taking study, the Organization for

Economic Cooperation and Devel-opment said Friday it had ap-proved a policy aimed at stamping out corruption and bribery of gov-

The Paris-based group of industrialized countries, which last month welcomed its 25th member,

Mexico, began studying ways to end corruption in 1989 at the re-

Now, the group has "achieved a

compromise after a delicate period

of bargaining," said Marc Pieth, the

quest of the United States.

They transferred \$3.7 billion more out of stock funds than they transferred in, the heaviest out-flow since \$6.3 billion came out in October 1987. the month of the stock market collapse. But be-cause of the new money coming in, stock funds as a group had a net cash inflow of \$6.7 billion in

In bond funds, which have suffered from rising interest rates, there seemed to be less ambiguity of investor response. There, many investors have decided to bail out, and new investors have not leaped in to take up the slack. The net withdrawals from bond funds iast month came to \$7.7 billion in October 1087. the heaviest since the \$8.7 billion in October 1987.

That may have slowed down this month. At T. Rowe Price, domestic bond funds saw out redempdons in April, but not at the rate of March. Fidelity Investments also reported money flowing out of bond funds, but some other groups said they had

small inflows.

The stock fund figures, and the reports Thursday from managers who reported more money going into stock funds in April than in March, reflect a confidence that the stock market can withstand the shock of higher interest rates and

recover its lost ground.

That belief clearly is held by the professionals who run the stock funds as well as the investors who buy fund shares.

The managers of aggressive growth funds bought a net \$5.2 billion of stock in March, far more than was available from investors, and as a result cut down the cash portion of such funds to 6.5 percent of assets, the same level as in January 1992, just before the small-stock market stumbled.
At the end of March the cash position in domes-

tic band funds was 6.4 percent, the highest figure since May 1990, when they were keeping 7 percent of their assets in cash.

countries to take decisions on the

exact steps to take to combat cor-

"But this is not just another vague text," he said. "It is a firm commitment to effective measures

based on agreement that corrup-tion is both harmful to fair compe-

tition and to the political process."

could legislate to ensure enforce-

Swiss chairman of the OECD Work- OECD leaves leeway for individual

# LVMH to Take **Majority Stake** In Guerlain

PARIS - Christian Dior, part of French luxury goods company LVMH Moet Hennessy Louis Vuitton SA, said Friday it agreed to buy a major stake in the perfume house Guerlain for 1.96 billion French francs (\$341 million).

Dior will acquire 52 percent of the equity and 49 9 percent of the voting rights in Djedi Holding SA, which controls Guerlain. It will pay the Guerlain family 1.96 billion francs in a special issue of new Dior stock. Djedi owns 85.8 percent of Guer-lain, while LVMH has controlled

the other 14.2 percent since 1987.
The Guerlain family will continue to cootrol the majority of votes in the company, but Dior will be jointly responsible with them for the company's management and

strategy. The acquisition values the whole of Guerlain at 4.4 billioo francs. Dior has pre-emption rights on re-maining Djedi shares held by the Guerlain family. "LVMH with Guerlain will be

the world leader in high-quality perfumes and will have about 20 percent of the French market," said Bernard Arnault, chairman of

LVMH already owns Christian Dior, Givenchy and Christian La-croix performes. It intends to keep the Guerlain brand distinct while exploiting the alliance to cut advertising and distribution costs.

LVMH shares gained just more than 1 percent Friday, to 929

LVMH said in March that it was seeking acquisitions for its family of lineary products, which include champagne, cognac and leather goods in addition to perfume. Its decision in January to untangle a six-year-old cross-share-holding agreement with Guinness PLC alved it to raise about \$2 billion for

He said individual OECD memsuch acquisitions, analysts said. In the deal, Guinness sold its 24 percent stake in LVMH to the ber countries would now review the document and determine what they French company, while at the same time buying a 34 percent stake in Moët Hennessy, getting a lock on the champagne-and-cognac division. In return, LVMH agreed to "I think countries will feel bound by the recommendation," Mr. Pieth

reduce its 24 percent stake in Guinness to 20 percent by mid-1995. Guerlain made a net profit of 162 million francs last year on sales of 2 billion francs. It expects net profit this year to return to the 191 million francs it has averaged dur-

ing the past two years.

LVMH had a 3.57-billion-franc net profit last year on sales of 23.8 billion francs. It last month pre-dicted net profit growth of at least 20 percent this year.

(Bloomberg, AP, AFP,

### Ferruzzi's Loss Is Up Because Of Write-Offs

MILAN — Ferruzzi Finan-ziaria SpA, the Italian agro-chemical holding company, said one-time charges to write off investments pushed it into a deep loss in 1993.

The company said its oet loss widened to 2419 trillion line (\$1.5 billion) in 1993, from 1.519 trillion lire in 1992.

Ferruzzi said that in the first two months of 1994, however, revenue was up 13 percent, to 3.45 trillion lire, and gross op-erating profit, which is before depreciation, interest and taxes, was up 26 percent to 447 billion lire

The 1993 loss included one-time charges of 2.079 trillion lire to write down the value of investments in currency and commodity futures. Many of these investments were made years ago but were illegally hid-

den in offshore companies.

The losses were disclosed by the company last summer, and led to the old management being ousted.

Raul Gardini, the former chairman and the son-in-law of the founder, committed suicide in July.

# **ECONOMIC SCENE**

Consumer Goods

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# Plugging Russia's Aid Drain

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By Peter Passell New York Times Service

EW YORK -After months of agonizing the International Monetary Fund has written another aid check for Russia, for \$1.5 billion. But how much of the money will truly be spent to help keep Russia's economy affoat, and how

much will end up in Swiss banks?

Capital flight has clearly diminished the impact of aid to Russia the last few years. Political opposition to stepping up grants and loans has been buttressed by educated guesses that the faucet is barely keeping up with the drain.

Why give aid, the argument goes, if it does not

add to the pool of hard currency available to import antibiotics or computerize factories? The standard answer is that aid remains the West's only available carrot for keeping Moscow

focused on reforming its ecocomy.

A less obvious one, suggested by Stanley Fischer, former chief economist for the World Bank, is that capital sent abroad by Russians is not lost

Capital flight is easier to understand than it is to measure — or to stop. In a country where corrup-tion is widespread, as it is in Russia, foreign currency can be siphoned off in many ways. Some of it leaves the country in suitcases; more

is probably diverted to managers of enterprises who have inflated their import bills. Still more, it is worth noting, probably leaves Russia for reasons that honest capitalists should respect. Russian enterprises that sell goods abroad choose not to swap their earnings for rubles, on the reasonable grounds that dollars or gold are more likely to retain their value.

Jeffrey Anderson, an economist at the International Institute of Finance in Washington, figures that left and the SAO billion in carried that left

that half of the \$40 billion in capital that left

Cross Rates

Russia from 1991 through 1993 consisted of unre-

patriated revenue from exports.

How should this doleful inference affect policy?

Most economists probably agree with Mr. Anderson's view that "Western assistance, by itself, is Most would also agree that short of imposing Soviet-style restrictions on travel and business, Russian capital flight cannot be stopped by increased

vigilance. But there is no consensus about what should or could be done to change Russians' moentives to store their wealth in every form but rubles. Judy Shelton, author of a book called "Money Melidown," argues that wheo "people choose to conduct their serious business in another currency," the answer is to give them what they want -

another currency. She would concentrate aid on financial stabilization, using the funds to back a oew Russian currency that would be tied to the value of, say, the dollar, and freely exchangeable for it.

Eventually, the idea goes, this good money would drive out the bad, and all transactions would take place in this so-called super ruble.

But as Mr. Fischer notes, and Ms. Shelton coocedes, the credibility of the promise to redeem this

supercurrency at a fixed rate depends on the credibility of the people who make the promise. Mr. Fischer goes further, arguing that "rule-based" stabilization plans are next to uscless if there is a legitimate fear that the rules will be broken and in any case would be unnecessary if the

government had the will to stabilize the ruble by controlling spending and credit. Hence, for most economists engaged in the de-bate over aid and capital flight, the battle lines are drawn more narrowly.

On one side are those who support the Interna-

See RUSSIA, Page 14

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Sources: Raulers, Lloyds Bank,

**CURRENCY & INTEREST RATES** 

# Lauder Firm

New York Times Service WARSAW - The Polish gov license to operate 11 regional tele-

lows his third foray into Eastern European television. Central European Media Enterprises, a compaoy controlled by Mr. Lauder and Mark Palmer, the former U.S. ambassador to Hungary, already oper-ates several television stations in the former East Germany. Earlier this year, it launched TV Nova, the Czech Republic's first nationwide commercial television station. Mr. Lander also funds several philanthropic organizations in the former

communist bloc. In Poland, with oearly 40 million

\$ 16.5% \$ 1 96.7% \$ 16.5% \$ 2 16.2% \$ 5 76.5% \$ 2 16.2% \$ 5 76.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5% \$ 16.5%

# Gets Polish **TV License**

crument on Friday awarded NTP Plus SA, a broadcasting consortium that includes the New York cosmetics heir Ronald Lauder, a

**OECD Takes Aim at Bribery** 

ing Group on Illicit Payments.

Although all countries bave

some laws that outlaw bribery of their own officials, the U.S. For-

eign Corrupt Practices Act is the only legislation among OECD

members that makes it a criminal

offense to bribe to an official of a

American officials have been keen to get an OECD policy. Secre-tary of State Warren M. Christo-

pher has said U.S. companies are

losing millions of dollars a year in

contracts because they are unable

to match the bribes of competitors.

The measure agreed upon by the

foreign country.

vision stations.

For Mr. Lauder, the ruling al-

people, 82 percent of households have color TV sets. NTP's regional network will reach about a third of the country's viewers. Leonard Fertig managing director of Central European Media, said the NTP consortium would invest approximately \$50 million in the octwork. Central European Media's Polish partners in the venture include Wojtek Fibak, a former professional ten-nis player. Mr. Fibak, a resident of Monte Carlo, owns a oewspaper publishing enterprise to Poland with 1993 sales of over \$50 million.

April 29

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### CNP 1993 RESULTS

ment of the measure.

CNP strengthens its position as leading personal insurer in France

Steady net earnings growth to FF 1,262 million

CNP's consolidated premium income advanced 52% in 1993 to FF 64.3 billion. Individual insurance totaled FF 51.7 billion, and group insurance FF 12.6 billion. Assets managed by CNP were up 36% over the year to IF 217 billion.

Rigorous management over many years accounts for CNP's steady. uninterrupted growth since 1987. Net earnings increased by 13% to

These results strengthen CNP's leadership of the personal insurance market in France, with a market share of 17% in 1993, versus 13.5%

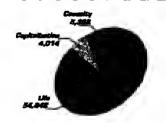
At the Annual Meeting of Shareholders, to be held on June 2, 1994, it will be proposed to declare a net dividend of FF 10 per share, making a gross dividend of FF 15, including tax paid in advance (tax credit), against a net dividend of FF 9 in respect of 1992.

CNP's expansion is based on a clearly defined strategy of:

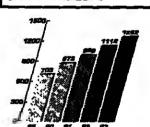
- Specializing in personal insurance.
- Developing its activities simultaneously in:
- individual and group insurance,
- savings products and risk guarantees.
- · Innovation, notably in the fields of capitalization products for retirement and nursing care for the elderly.
- Working in partnership with leading French and foreign institutions to market jointly-developed products.

in FF billion	1983	1992	chang
Premium income	84.3	42.4	+52 9
Merket share	17 %	13.5 %	+26 9
Net earning's (Group share)	1,262	1.118	+13 9
Total assets	240	181	+33 9
Equity excluding minorities	10.306	8.473	+22 9
Asseta managad	217	160	+36 9

ANALYSIS OF PREMIUM INCOME UN FF BILLION



NET EARNINGS (IN FF MILLION)



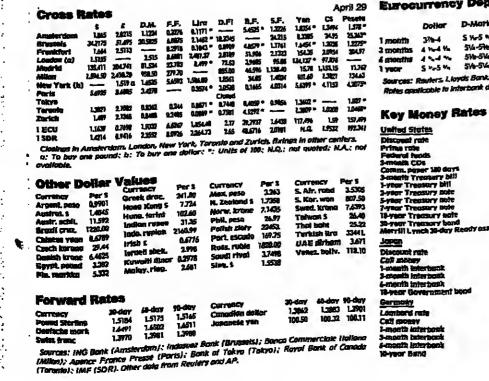
SHAREOWNERSHIP



investor information : Phone: (33-1) 42 18 90 72 4. place Reoul Deutry - 75015 Paris



CNP, VIVEZ BIEN ASSURÉ



Compiled by Our Staff From Dispatches NEW YORK - Stock prices rose Friday, bucking a decline in the Treasury bond market as a barrage of economic reports convinced investors that higher interest rates have yet to dampen economic growth and corporate earnings. The Dow Jones industrial aver-

**U.S. Stocks** 

age closed up 13.38 points, at

3,681.69, while gaining issues outnumbered losing ones by a 3-to-2 ratio on the New York Stock Ex-

The benchmark 30-year Treasury bond fell 16/32, to 87 10/32, while the yield rose to 7.30 percent from 7.26 percent Thursday.

Stocks are often dragged down when bond prices fall, because the resulting rising interest rates in the credit markets could draw funds sway from equities and make borrowing for expansion too expensive. Bonds were hit by concern about inflation that was fueled by the weak dollar and rising commodity prices.

But stocks were surprising some analysts Friday by overperforming bonds for the first time in many sessions. With bond prices lower.

### **DOLLAR:** U.S. Says It Stepped In

Continued from Page 1

trade deficit with Japan, financial markets have been skeptical of

Many analysts have said that as long as there was no central bank intervention, markets would assume the administration secretly supported a weaker dollar as a way of getting the Japanese to make

Foreign Exchange

concessions in trade talks, A weaker dollar makes imports into Japan more expensive, and a strong yen hurts the business of major Japanese exporters.

Brendan Brown, a Londonbased analyst at Mitsubishi Finance, said the intervention "shows Fed concern that it does not want a cheaper dollar.'

But he added: "I doubt intervention alone will be decisive in turning the dollar up against the yen. That will require further cuts in Japanese interest rates and in-

creases in U.S. rates." Mr. Persaud said he expected the intervention to "significantly in-crease the risk" for market operators to go on selling dollars on the expectation the currency would continue to fall.

New York analysts quoted by Reuters said there was talk in the market that the intervention had been prompted by concern that a

**WORLD STOCK MARKETS** 

"there are plenty of excuses for this market to go right down the toilet bowl," said Alfred Goldman, vice president of A.G. Edwards & Sons

Inc. in St Louis. Friday's performance points up the fundamental strength in the stock market, Mr. Goldman said. "If stocks were really vulnerable, the bond sell-off would have given us an excuse to take it down further."

An increase in single-family home sales and an uptick in a regional consumer sentiment index restored stock investors' faith in the U.S. economy.

Trucking stocks rose on reports of a tentative settlement in the Teamsters strike. Consolidated Freightways gained 14 to 271/2.

Delta Air Lines rose 24 10 471/2 after being upgraded to a buy from neutral by a Dean Winer Reynolds analyst. The airline said Thursday it was slashing jobs in a restructuring. vas slashing jobs in a restructuring.
Gateway 2000 fell 4 t5/16 to 5½ in active trading after the personal computer maker said its lirstnuarter earnings fell. 15½ in active trading after the per-

quarter earnings fell. Digi International, which makes data communications hardware and software, fell 4 13/32 to 13 19/32 after it said its second-quarter earn ings did not rise as much as analysts (AP, Bloomberg)

faltering dollar could damage the U.S. Treasury's quarterly refunding operation next month, when it sells new bonds, notes and bills to

refinance the U.S. debt. The news agency quoted George Tzanetatos of Merrill Lynch & Co. as saying that the prospect of a weak currency at refinancing time was thought to have been a concern for the Treasury.

"The intervention was probably part of a game plan to stabilize th market and see the refunding go smoothly," he said.

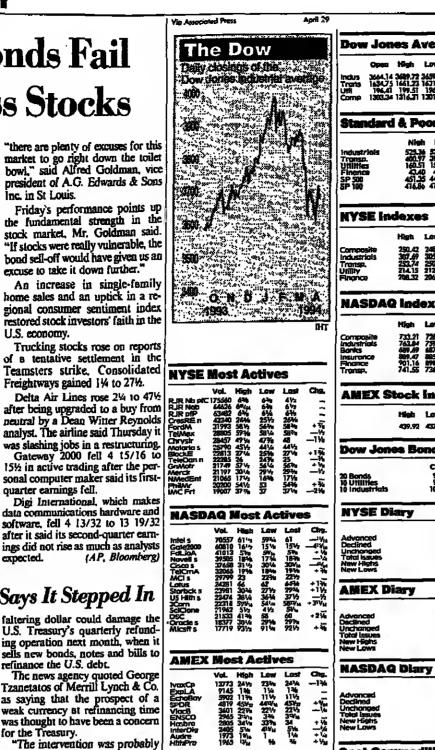
■ Trading Activity Fades The dollar slipped in New York trading as market activity slowed

from the hectic period just after the Fed intervention, news agencies re-"The market is very quiet: no one likes to play on intervention,"

one trader said. The U.S. currency was quoted late in the day at 1,4024 Swiss francs, down from 1.4210 francs at Thursday's close, and at 5.6593 French francs, compared with 5.6985 francs. The pound gained to \$1.5190 from \$1.5140.

An analyst at MMS International said the dollar had been undermined by weakness in U.S. securities markets, which in turn triggered more liquidation of U.S. assets by foreign investors.

(AFX, AFP, Reuters)



**Market Sales** 

Today 4 p.m.

Continued from Page 13

tional Monetary Fund's passive stance: that aid should be doled out

for meeting goals, such as reducing inflation and deficit spending while

keeping Russian interest rates high

enough to create a real market for

capital.
Interest rates are now higher

than inflation," one IMF official

EUROPEAN FUTURES Dow Jones Averages 3689.72 3659.36 3681.69 + 19.38 1661.23 1631.64 1660.13 +24.50 199.51 196.28 195.38 +1,84 1316.31 1301.73 1315.91 +10.54 Standard & Poor's Indexes BRENT CRUCE OIL (IPE) Stock Indexes 732.00 933.00 728.00 979.00 143.00 954.00 949.00 949.50 250.42 248.64 307.69 305.58 253.74 250.06 214.15 212.09 208.32 206.85 Financial Est. volume: 11,022, Open int.: 53,843, CAC 49 (NATTIF)
FP:200 per lessex point
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Jun 7155,00 2175,00 7157,0 NASDAQ Indexes 731.21 728.93 733.21 +1.52 763.84 737.07 747.84 +2.87 689.89 687.24 689.28 +1.42 889.47 885.38 889.47 +1.42 901.16 889.92 901.16 +0.52 741.55 736.93 738.10 -1.96 Sources: Maill, Associated Landon Int'l Financial Pytures Ex Int'l Petroleum Exchange. AMEX Stock Index Dividends High Low Last Chs Per Amt Pay Res 439.92 437.93 439.90 +0.98 IRREGULAR **Dow Jones Bond Averages** Est, volume: 633. Open Int.: 18.369, 3-MONTH EUROMARKS (LIFFE) DMI million - pis of 100 pct less 94,73 94,77 94,92 Sep 93,07 94,93 94,77 94,95 Dec 93,00 94,94 93,00 Dec 94,00 94,97 5% 5-10 5-10 + 0.03 -- 0.20 + 0.27 FNB Con 98.59 96.33 100.86 .15 6-10 5-25 .15 6-10 6-20 .02 6-10 6-24 INIT/AL Vacu Dry Co .06 EXTRA 936 1275 604 2817 31 43 Est. volu ne: 71,150. Open int.: 217,238 DM 25,000 - PR of 100 pc |
Jun 95,00 94,13 95,12 + 0,45
Sép 94,52 93,73 94,45 + 0,46
Est. volume: 197,281, Open int; 183,257,
18-VEAR PRÉMICH GOV. BONDS 1MATIF1
FF550,000 - pts of 100 pc |
Jun 121,34 120,38 121,34 + 0,10
Sep 10,30 119,46 120,46 + 0,00
Dec 178,14 113,90 119,44 + 0,06 1624 1570 1799 4993 64 125 1699 1403 1890 4992 76 111 Spot Commodities Industrials Low Lost Settle Providence Pussell Cp

RUSSIA: Keeping Money at Home Opel Accuses López Daughter Compiled by Our Staff From Dispatches

in dollars and exporters a reason to

On the other side are those eager

"Capital flight is a symptom of

state bankruptcy," said Jeffrey Sachs, an economist at Harvard

repatriate their earnings.

on the side of generosity.

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noted with approval, That, he said, and former adviser to some reform-gives Russians an incentive to hold minded figures in President Boris

their savings in rubles rather than N. Yeltsin's cabinet.

RUESSELSHEIM, Germany -Adam Opel AG has filed industrial to take calculated risks, who supespionage charges against a daugh-ter of José Ignacio López de Arriorport the idea of setting conditions but think there is a case for erring tua, the purchasing and production

chief of Volkswagen AG. In a report in the weekly maga-zine Focus, to be published Mon-day, an Opel spokesman said the with him when he left GM for VW company believed that Begouna in March 1993. Lopez removed computer disks

from the United States that contained information on cost-cutting plans for certain General Motors models. Opel is a subsidiary of General Motors Corp.

Opel and GM have already filed industrial espionage charges against Mr. Lopez, whom they ac-

(AFP, AFX)

### U.S./AT THE CLOSE

U.S. Economic Signs Remain Upbeat

WASHINGTON (Bloomberg) — U.S. sales of new single-family dwellings rose 11.1 percent in March as temperatures turned mild and consumers jumped into the housing market before mortgage rates increased, the Commerce Department said Friday.

Separately, the University of Michigan's consumer sentiment index rose to 92.6 in April from 91.5 in March, while the Commerce Department said personal incomes rose 0.6 percent in March and consumer

spending increased 0.4 percent. Taken together, the reports show an "economy emerging from its winter hibernation," said Bruce Steinberg, an economist at Merrill Lynch & Co. in New York. Even so, evidence is starting to accumulate that the ripple effects from the Federal Reserve Board's campaign to push up short-term interest rates on overnight bank loans are slowing the economy. New housing sales of 739,000 in March, for example, while representing a strong advance, fell short of the peak of 817,000 reached in December.

### Macy's Revises Reorganization Plan

NEW YORK (Bloomberg) - R.H. Macy & Co. announced a revised reorganization proposal Friday valued at \$3.67 billion, this time offering nothing initially to its lowest class of bondholders but giving them the chance to get stock in the retailer if its value improves. The new plan, unlike Macy's previous plan, treats different bondhold-

ers differently. Overall, the new plan raises the company's value by \$70 million, with the possibility of a \$260 million increase if the retailer's market value rises after it emerges from bankruptcy-law proceedings.

Macy's previous proposal, submitted in March, valued the company at

\$3.6. billion, with the possibility of distributing an additional \$500 million. Bondholders and other unsecured creditors have sought a higher total valuation for the company because it would increase the amount they would receive once the senior creditors are paid.

### S&P Reviews Bankers Trust Ratings

NEW YORK (Bloomberg) — Standard & Poor's Corp. said it may lower its rating on Bankers Trust New York Corp.'s \$5.6 billion of debt because of the company's increased focus on trading.

The credit rating company said it may lower the rating on Bankers Trust's senior debt to A-plus from AA. The reduced rating would indicate obligations that are likely to be repaid but are susceptible to adverse changes in the economy or the borrower's circumstances. A lower rating would make it more expensive for Bankers Trust to borrow money. Borrowing costs are critical for banks, which profit from the difference

between these costs and what they charge customers for loans.

S&P's concern centers on the bank's "increasing focus on trading, particularly on proprietary trading." In proprietary trading, firms bet their own money rather than using their capital to help clients trade securities.

### Catastrophes Cut Aetna Earnings

HARTFORD, Connecticut (Combined Dispatches) - Aetna Life & Casualty Co. reported an 88 percent decline in first-quarter earnings Friday, mainly as a result of one-time gains in the like period last year and Notes from a severe winter and January's California earthquake.

Aetna reported earnings of \$46 million, or 40 cents a share, compared with \$394 million, or \$3.57 a share, in the first quarter last year. Last year's first-quarter profits included \$228 million in adjustments, mostly from a benefit obtained by discounting a portion of workers' compensation records.

### LTV Profit Up for First Quarter

CLEVELAND (AP) — LTV Corp. said Friday it earned \$15.3 million. in the first quarter, versus a loss of \$47.7 million in the like period a year ago, as sales rose 8 percent.

The steelmaker, which emerged from bankruptcy last June, said per-share earnings were 16 cents for the three months ended March 31. First-quarter sales were \$1.06 billion, up from \$989 million last year.

Disney Names Single Chief for Films,
LOS ANGELES (NYT) — Walt Disney Co. has promoted David
Hoberman, the president of Disney's Touchstone Pictures unit, to a new job in charge of all motion pictures produced by the company.

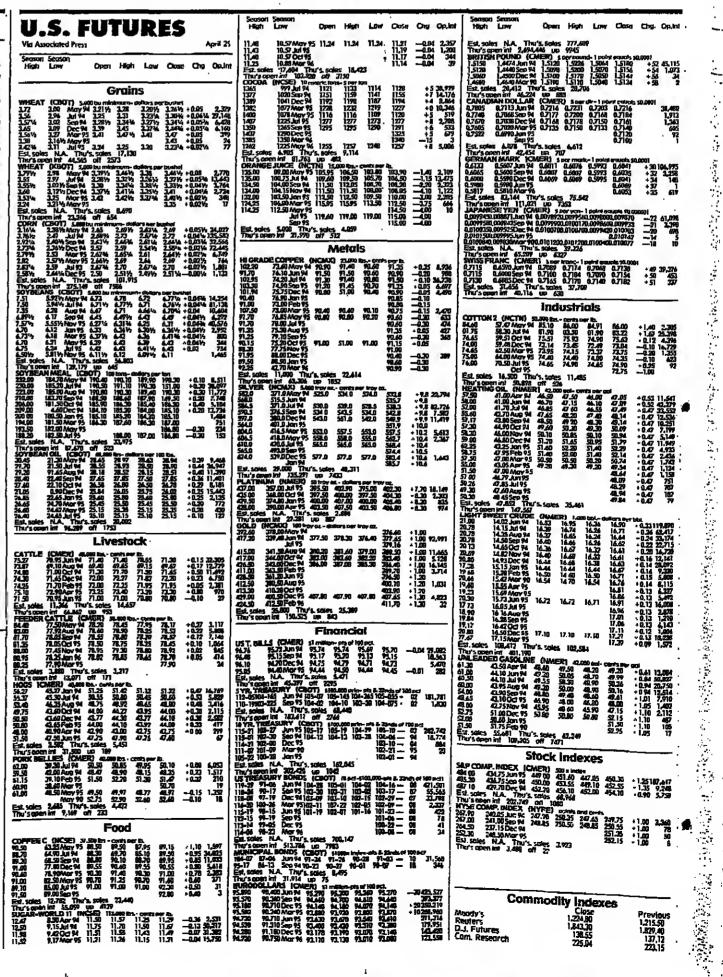
He will run all three arms of Walt Disney's principal moviemaking operation: Touchstone, Hollywood Pictures and Walt Disney Pictures. Mr. Hoberman, 41, said he would seek to expand Disney's slate to include big-budget action films such as "Lethal Weapon" or "Cliffhanger."

### For the Record

Shaw Communications Inc., formerly Shaw Cablesystems Ltd., said it has agreed to acquire all the shares of Ontario-based CUC Broadcasting Ltd. for 635 million Canadian dollars (\$460 million). CUC is a private cable company serving 350,000 subscribers in Ontario. (Reuters)

Merrill Lynch & Co., the New York brokerage, said Friday it will buy a stake in DSP Financial Consultants Ltd., a large investment firm based in Bombay. Terms were not disclosed.

## Incheoou (S.51 Kinofisher S.77 Kinofisher S.77 Lodbroke 1.36 Land Sec 4.70 Laporte 8.15 Losmo 1.59 Land Sec 4.70 Laporte 8.15 Losmo 1.59 Land Sec 4.70 Laporte 8.15 Losmo 1.59 Laporte 8.15 Losmo 1.59 Laporte 9.15 L | Houston's Bory | Hous 61.60 62.10 48 48.53 47.59 47.59 47.59 47.59 47.59 47.59 13.40 72.79 13.40 72. 9.707.77 3.63.75 3.64.65 11.550 29 11.67.55 12.99 11.67.55 12.99 11.67.55 12.99 11.67.67 14.74.20 12.99 14.74.20 12.99 14.74.20 12.99 14.74.20 12.99 14.74.20 14.74.2 Market Closed The stock market in Tokyo was closed Friday for a holiday. | 19.00 | 11.70 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.0 Sao Paulo Bonceso 14.79 14.50 Brodesco 16.30 15.40 Brothero 22.99 22.99 Petrohras 22.99 22.99 Petrohras 22.99 22.99 Varie Rio Doce 18.95 118.53 Varie 18.50 Bevespo Indes : 17094 Previous : 14725 Madrid BBV 3215 2216 BCC Centrol Hisp. 2940 2940 BCG Centrol Hisp. 2940 2940 BCG CEPSA 2950 2270 BCG CEPSA 2950 2470 BCG CEPSA Johannesburg AECI Allech Allec Singap Carebos Ciry Dev. DBS Froser Neove Centino Golden Hope PI How Par Huma Industries Inchcape Kespel Ku, Kapong Lum Chang Adaloyan Banka OCBC OUB Sembawang Shangrila Sime Dorby SIA Shore Lond Spare Press Sing Steamshia Spare Telecomm Straits Trading UOB UOB UOB Straits Times Ind. : Previous: 2384.4 5770 5730 17519130 2823 2100 2771 2820 2613 2610 2770 2820 2613 2610 2610 1846 4500 4770 4500 4770 27700 7725 1762 1745 1762 1745 1762 1745 1801 1973 1801 1 London Abbey Nor1 4.25 Allied Lyons 587 Arlo Wissins 2.30 Arlo Wissins 2.30 Arroyil Ground 2.30 Arroyil Ground 2.30 Arroyil Ground 2.30 Bass 3.47 Bard 3.48 Borcioy3 5.49 Bard 4.69 Bass 5.49 Bard 1.85 Borcioy3 5.49 Bard 1.85 Borcioy3 5.49 Bard 1.85 Borriorid 1.87 Bard 1.87 Ba <u>to our</u> <u>IN</u> LUXEMBOURG 40° 636 1530 406 343 1114 112 123 123 137 146 157 146 71



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# Continental AG **Sets Further Cut Of 2,000 Jobs**

HANNOVER, Germany — Continental AG said Friday is would cut as many as 2,000 jnbs and shift production to lower-wage countries, despite a recovery in

first-quarter earnings.
"We can't stop tackling our structural problems at the first signs of an improved economy," the tiremaker's chief executive. Hubertus von Gruenberg, said at the company's annual news conference.

Continental's focus on streamlining operations has been sharpened in recent years by losses in its North American operations, the recession that hurt European vehicle manufacturers and Pirelli SpA's attempt last year to take over Continental.

Continental executives said operating earnings in the first quarter of 1994 were "slightly higher" than in 1993, a year in which the company's earnings fell 51 percent. But they said profit this year might only match the 65.1 million Deutsche marks (\$39 millioo), or 7.10 DM a share, earned last year.

Since March/April we've noted a rebound in demand," Mr. Gruen-berg said. "First-quarter business good enough."

wasn't bad, but we could still use a bigger boost from the overall econ-

Continental said it would to eliminate 3 percent to 4 percent of its 50,974 jobs this year, after making a 20 percent cut in employment over the past three years, and it said it planned by 1996 to transfer 25 percent of its car-tire production to lower-wage countries, especially Portugal and the Czech Republic. (Bloomberg, Reuters)

■ Pirelli's Plans for Issue The chairmao of Pirelli Tire

Holding NV said the Dutch unit of the Italian tiremaker would use a planned capital increase to support its investment program and to accelerate medium-term projects, including new plants in Asia and Eastern Europe, AFP-Extel News reported from Amsterdam.

Giuseppe Bencini also said that with the increase, which will take the form of a 1-for-3 rights issue, "it will take a much shorter time to resume dividend payments," though he said the Pirelli SpA unit would only re-

# Swiss Banking Income Lags on Trading Slump

ZURICH - Two of the top three Swiss banks said Friday their first-quarter earnings lagged because they could out repeat the trading-income bonanza of 1993. CS Holding and Union Bank of

Switzerland are looking instead to economic recovery to huoy 1994 They said they were hoping less-

than-spectacular trading results for the first quarter would be outweighed by an easing of the baddebt hurden as economies recover. "The results of these first few

months lead us to be optimistic," said Rainer Gut, chairman of CS Holding, "even if the financial markets aren't showing the same extraordinary dynamism as last year."

UBS said first-quarter group profit was lower than in the comparable year-earlier period. But the hank said it was confident full-year profit would grow if provisions for ly 5 percent.

bad and doubtful debts continued

Without providing income or revenue figures, UBS said trading income was patchy in the first quarter. Securities trading was "successful," despite the significantly weaker performance of stock markets.

CS Holding, the parent of Credit Suisse, Swiss Volksbank and CS First Boston, said its performance during the first quarter was "satisfactory," and that it expected "very satisfactory" result for the year.

The bank said its trading income was lower but provisions for bad loans also were declining, resulting in a "gratifying" first-quarter result. Swiss Bank Corp. said last week that its first-quarter earnings were worse than expected amid lower

Shares of all three banks fell Friday on the Zurich Stock Exchange, with Swiss Bank Corp. losing ocar-

# Slow Days in East Europe West's Car Plants in Ex-Soviet Bloc Sag

By Matthew Brzezinski

New York Times Service
WARSAW — When Eastern Europe opened its markets to Western competitors, its outdated auto industry faced a clear choice: integrate with the West or perish. Western capital, technology, and markets were seen as the only way for the industry to survive the loss of its monopoly position.

Less than five years after communism collapsed in Eastern Europe, nearly all its automobile companies have become subsidiaries of large Western automakers. Fords, Mercedeses, Fiats, Volvos, Volkswagens and GM Opels now roll off assembly lines that once churned out the uninspiring automobiles that polluted the air of Budapest, Warsaw

and Prague.

But while benefiting from Western expertise and capital, the East European automobile industry has found itself unexpectedly vulnerable to market

swings in the West. As West European car sales have slumped, East European automakers have experienced the down-

side of the integration they sought. The East Europeans have restructured their industry, retooled assembly lines, increased worker productivity and introduced stringent quality-control procedures. Now they are finding it hard 10 accept that sales have dropped because wealthier West Europeans have been hit by recession, though there are some signs of recovery in the

Western car market. We've done everything the Italians have asked of us, and oow they tell us our cars are not selling anymore," said Piotr Lukaszek, a union represen tative at Fiat's Tychy plant in southern Poland. But it's not our fault. Maybe the Italians are not

selling them properly." The parent company, Fiat SpA, announced ear-lier this year that it expected a loss of more than \$1 billion in 1993. The Italian automaker, which has an 11 percent share of the European car market, saw its overall sales decline by more than 20 percent from 1992, prompting plans to lay off 15,000 employees, or 7 percent of its work force.

Fiat holds a 90 percent stake in the plant at Tychy, which the company acquired two years ago in a deal valued at \$2 billion.

The FSM plant — its initials stand for Small-Engine Automobile Factory in Polish — makes the Cinquecento, an Italian-designed subcompact inherited from Fiat's 500 series that competes with European cars such as the Renault Cho and the

Last year, the FSM plant turned out more than 200,000 Cinquecentos. So far this year, production has fallen by 16,000 cars because of four weeklong shutdowns, Giovanni Pratti, a spokesman for Fiat's operation in Poland, said the delays in production were occessary because "our dealers in Europe have significantly decreased orders,"

To Fiat, the plant in Tychy seemed a natural site to produce the Cinquecento. The FSM plant offered a stable investment environment because it had already produced more than 2 million older Fiat models under license in the last 20 years. Other Fiat models have been manufactured in Russia under the hrand names Zhiguli and Lada.

Last year, the FSM plant exported 150,000 Cinquecentos lo Western Europe, and 40,000 more were sold in Poland. The low cost of Polish labor

made the Cinquecento, at \$5,890, the cheapest subcompact marketed in Western Europe. Cinquecentn's success was short-lived because its arrival saturated the low end of the European

compact car market. Poland's second-largest car producer, FSO — its initials stand for Personal Automobile Factory in Polish — produces the Polonez, a hatchback sedan designed 16 years ago. FSO, based in Warsaw, has also been hit by the recession in the Western auto industry. The debt-ridden state enterprise has pinned its hopes of survival on an investment by General Motors Corp.

Last December, GM agreed to spend a cautious \$25 million to assemble 10,000 Opel Astras sedans at the FSO plant, GM already produces 150,000 Opels a year in the former East Germany, and embles and makes engines for 10,000 more cars annually in Hungary.

The slump in Western orders extends beyond Poland to the Czech Republic, where the Czech

We've done everything the Italians have asked of us, and now they tell us our cars are not selling anymore."

Piotr Lukaszek, a union representative at Fiat's Tychy plant in southern Poland.

aoto company Skoda, now a subsidiary of Volkswagen AG, manufactures a five-door hatchback with a base price of \$6,200, which is about \$3,000 cheaper than GM's Opel. Skoda's exports to Western Europe stalled at 51,000 cars last year.

Even worse, its sales to Poland, which is Skoda's largest single export market, have fallen 50 percent, partly because of Poland's imposition in 1992 of suif duties of up to 100 percent on car imports. Skoda plans to circumvent the tariffs by assembling 5,000 cars at a plant to western Poland that is

partly owned by Volkswagen. The Czech government has imposed a similar tariff policy that allows Skoda to keep 75 percent of its domestic new car sales in the Czech Repubc, where it sold 100,000 cars last year.

The tariff wars with Poland and the depressed markets in Western Europe have led Skoda to explore new markets in South America, China and even North Korea.

The recession in Western Europe has had its preatest impact on Skoda's investment strategy. The company sold a 31 percent stake to Volkswagen in 1991; in return, Volkswagen pledged to increase its share in Skoda to 70 percent and invest \$5.6 billion in Skoda by the end of the decade.

But after Volkswagen lost \$1 billioo in the first six months of 1993, it backed out of an \$870 million modernization loan to Skoda. Even so, Skoda showed profit of \$38,8 million in

its last fiscal year. In fact, strong sales at home have absorbed the impact of the recession in Western Europe for both Skoda and Fiat in Poland.

## **Joblessness** In France Is Steady At 12.2%

هكذامن الأجل

PARIS — The rise in French nemployment slowed almost to a halt in March, government data released Friday showed, but economists said the jobless rate probably

had not peaked. Several economists said, however, that the slow rise in unemploy-ment combined with signs of growing business confidence indicated the economy was gaining strength.

INSEE, the national statistical institute, said France's unemployment rate was unchanged in March at 12.2 percent, though Labor Ministry figures said the oumber of jobless people rose a slight £,600, to about 3,321,000. The increase compared with typical monthly in-creases of 40,000 to 50,000 a year ago, when France was in recession.

But, despite a forecast by economists at the state-owned bank Credit Lyonnais that unemploy ment would reach about 12.6 percent by the end of the year, a survey by INSEE this month showing rising optimism among business executives and the latest flat unemployment figure seemed to many to confirm France's tentative eco-nomic comeback.

"We're on the way to recovery, but nothing momentous," Jean-Paul Betbeze, chief economist at

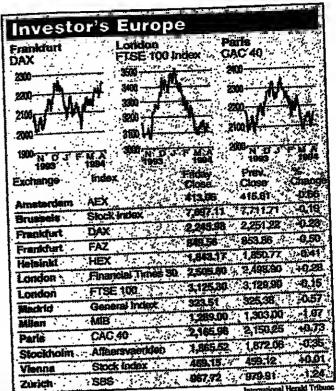
Crédit Lyonnais, said. Layoffs were at their lowest level since the summer of 1991, the employment report said. Jobs on offer at the country's national employment agency in March were down percent from a month earlier, at 114,200, but were up 38 percent from a year earlier.

"We're in a transition phase," said Philippe Auverny, an econo-mist at Credit Agricole. "Employers are making fewer layoffs bot are still not hiring."

### ■ Plane Project Supported Prime Minister Edouard Balla-

dur called on France's leading Enropean allies Friday to build the socalled European Future Large Aircraft, a military transport plane, for their air forces, Renters reported from Dijon, France.

His appeal was the clearest sign yet that France was ready to commit itself to the multibillion-dollar aircraft program, which could cre-ate tens of thousands of jobs across Western Europe. The program would involve more than a dozen acrospace companies and funding from six countries.



### Very briefly:

 Allianz AG Holding announced a 1-for-15 rights offering to shareholders to raise 1.56 billion Deutsche marks (\$931 million), raised its regular dividend for 1993 to 15 Deutsche marks a share from 13.50 DM and announced a bonus payont of 35 DM a share.

• Dresdner Bank AG said it would raise 1.14 billion Deutsche marks through an international issue of 3 million new shares at 380 DM each. Dresdner shares closed Friday at 395 DM a share in Frankfurt.

• Swissair said 11 percent of its shares were in the hands of unknown investors. It said British Airways had said it was not the mystery investor

who recently took a 5 percent stake, and it said a Swiss bank acting on behalf of an unidentified party holds a further 6 percent stake. Mediobanea SpA said pretax profit for the six months ended Dec. 31 fell to 326.6 billion lire (\$204 million) from 350.7 billion lire a year earlier. • Unilever NV said it was taking Procter & Gamble Co. to court to

demand it stop making "untrue and misleading statements" about Unilever's OMO Power product, which competes with P&G's Ariel. • Dassault Electronique said it had returned to profit last year, with carnings of 51 million French francs (\$9 million), after a loss of 227.1 Bloomberg, AFX, Reuters, AFP

### **Deckel Files for Bankruptcy** has about 2,000 employees, has asked to be given 15 months to

settle claims.

FRANKFURT — The machine-tool maker Deckel Maho AG has filed for protection from creditors under Germany's bankruptcy law, Deutsche Bank AG, one of its main

million francs in 1992.

creditors, said Friday.

A court official said it would take about four weeks to decide on the application for protection. He said an agreement was being sought under which the company would have to settle 40 percent of creditor claims to stay in business.

able the company to continue,

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Company executives were oot available for comment. The compa-oy expects to post a loss of 140 million DM for the year ending The amount of the claims was June 30, on sales of 340 million not specified. The company, which DM. (Reuters, Bloomberg, AFP)

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A spokesman for Deckel Maho's

employee council said banks would

have to grant loans totaling 30 mil-lioo to 50 million Deutsche marks (\$18 million to \$30 million) to en-

# NYSE

Friday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect

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This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value, it is updated twice a year.

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# **Asian Markets Get Over Fears** On U.S. Rates

HONG KONG — Asian stock markets have largely abandoned their interest rate-driven panie of recent weeks, discounting the effect of a U.S. rate increase and focusing on domestic growth, company news and political developments,

"I can't believe anyone will be surprised" if the Federal Reserve Board pushes American rates up next month, said Colin Bradbury, regional strategist at Jardine Flem-

ing in Hong Kong.
The Fed has engineered a rise in the federal funds rate, the fee charged on overnight loans among commercial banks, by three-quarters of a percentage point since February, in quarter-point increments. It is widely expected to add another quarter point, bringing the rate up to 4 percent at a policymaking meeting May 17.

in Hong Kong, where the Hang Seng index fell nearly 4 percent in the week after the Fed's latest rate increase, on April 18, analysts said U.S. rate strategy was just one of several factors affecting the market.

"To conclude that the whole market's going down the pan because rates have gone up is a very crude assumption," Mr. Bradbury said. He said uncertainty about the future of China's most-favored-nation trade status with the United States and the inflation-prone Chinese economy were affecting the market, as were the Hong Kong government's plans to try 10 cool off the colony's real estate market.

Interest-rate concerns, Mr. Bradbury said, are already reflected in the market: "That's why it's come down." He added, "People now are going to look much more at underlying factors and fundamentals."

But Lehman Brothers' chief Asia economist, Miron Mushkat, said that although a quarter-point rise in U.S. rates had been discounted, "that discounting is keeping the market at a certain level."

He said while the situation in China and the Hong Kong real estate market were sources of worry, concerns over interest rates "are stronger than those pertaining to other fa-

ctors, everything else being equal."
In Taipei, Joe Kao, a vice president at Jardine Fleming, said of U.S. rates, "so far we haven't seen

He said the main concerns in Taiwan were economic growth and the local currency. There are re- Fed raised rates again.

ports that the central bank wants to cut the value of the Taiwan dollar

to boost exports. The picture was similar in Seoul. where analysts said U.S. rates were overshadowed by fears of domestic inflation. "We are just watching the rise of U.S. interest rates, but its impact is not big as foreigners at first thought," said Eugene Yoon. economist at Schroders Securities.

Even if U.S. rates rose, the impact would be small, as South Korean rates are much higher.
Foreign brokers in Jakarta said U.S. rates were a concern only in so

far as they affected other markets. "Jakarta can be affected on a day-to-day basis by sentiment on other markets, especially in Hong Kong, but there is no long-term correlation," said Richard Fischer, equity sales manager at PT Barings Securities Indonesia.

Most money coming into Indonesia, he said, is not rate-sensitive. With the big U.S. pension funds' allocations to emerging-market equities ranging around 5 percent or 10 percent, he said, rises in U.S. rates would be unlikely to have much effect. "Investors don't have the liquidity to get in and out of Jakarta," he said

Another broker said the main factor affecting Jakarta stocks recently d been good company results. Kuala Lumpur analysts said retail investors, who accounted for most trading volume, were focusing

on company news. The interest-rate theme is no longer baving much of an impact on the market," William Chan of Seagroatt & Campbell Research

Service said, In Singapore, analysts said that although stocks would be vulnera-ble to a Wall Street fall, there was little correlation between the local

market's bealth and U.S. rates. 'in the short term, rising interest rates in the U.S. will be negative for the equities markets, but ultimately investors will return to fundamentals," said Liew Yin Sze, head of irch at the brokerage concern J. M. Sassoon & Co.

In Bangkok, analysts said U.S. rates had been discounted as an influence and said the market was more concerned about the weakness of Thailand's governing coalition.

But in Bombay, analysts said foreign mutual funds, the market's biggest investors, would probably defer investments in India if the

# Japan Auto Market Creaks Open

Need a Used or Foreign Car? Maverick Keiyu Sells Both

By Steven Brull

International Herold Tribune
MACHIDA CITY, Japan - Kiyotaka Negishi, a 20-year-old part-time worker, knows that all he can afford is a used car. But the only way be can get a feel for what his money will actually buy is to come to a sprawling used lot run by a maverick busing on the outskirts of Tokyo.

If he went to a dealership affiliated with one of Japan's big carmakers, be likely would find only a small number of used cars, most of them variations of the same model. Nor would checking the papers and magazines help much, because sales between individuals

"We've come here to get a sense of the market," Mr. Negishi said, poking about a used Toyota jeep under his parents' watchful

The lack of a broad market for used vehicles in Japan is just one aspect of the Japanese car distribution system that the United States has criticized as collusive and closed to

Washington, saying that tight financial links between manufacturers and dealers make dealers reluctant to handle foreign cars, is demanding that Japan set goals for expanding the number of dealers selling foreign vehicles. The demand has become a key to the framework talks with Tokyo.

Japanese carmakers insist their affiliated dealers are free to handle foreign vehicles, and, in fact, many do: Ford Motor Co., for example, will begin selling vehicles through dealerships affiliated with Nissan Motor Co. dealerships next month; Chrysler Corp. sells Jeeps in Honda dealerships, and Toyota Motor Corp., whose DUO dealerships have sold Volkswagen AG cars since 1992, will begin selling General Motors Corp. vehicles through Toyota dealerships from 1996.

Growing access to dealerships, combined

with the strong yea and improved quality of American cars, is leading to a rise in foreign car sales, although the absolute level remains low and imports of cars made in Japanese plants abroad comprise nearly half the total. and are the fastest-rising component.

The foreign share of the market has risen to 6.4 percent, an increase of 2.6 percentage points from a year ago, according to figures supplied by Toyota Motors Corp.

There still is some misunderstanding that

the Japanese distribution system is closed.

'They say it's O.K. to sell foreign cars, but their faces tell a different story: It's not O.K."

Yoshihiro Inoue, president nf Keiyu, a used-car dealership.

president of Toyota, Tatsuro Toyoda, told a group of dealers nn Tuesday. "The decision to sell non-Toyota vehicles, including those of foreign makes, is the independent decision of each dealer," he said, reiterating

remarks made in 1991. Yet many dealers, including Yoshibiro In-nue, president of Keiyu KK, which runs the huge used-car dealership, said the comments of Mr. Toyoda and others were little more

than propaganda.
"They say it's O.K. to sell foreign cars," he said. "but their faces tell a different story; It's not O.K."

Mr. Inoue says his dealership, which is independent, shows the extent to which informal rules among dealerships distort the free market - to the disadvantage not only of foreign earmakers, but to Japanese dealers and consumers as well.

"il we were a normal dealer we wouldn't make any money," the feisty 57-year-old said.
"We'd be forced in sell a certain number of cars by the maker, and not necessarily the ones we'd like to sell."

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Satoshi Imaseki, Keiyu's financial chief, said. "The business of selling cars in Japan is not built around the concept of satisfying the car consumer, but the car manufacturer.

Most Japanese dealerships sell only a part of the maker's lineup. One reason is that the major automakers give affiliated dealerships responsibility for large areas, usually a pre-fecture. This, in turn, leads them to set up numerous small dealerships which can sell only a limited number of models in a limited territory. As a result, they are usually small operations, financially dependent on the

"The dealers are very closely tied to the auto manufacturers whose used cars they sell," said Jonathan Dobson, an analyst at Jardine Fleming Securities. Keiya, in con-trast, resembles a big car dealership like those common in the United States, with customers ambling along the passageways under wind-blown pennants and serenaded by tacky rock music. Salesmen take a low-key approach, and there is no haggling over prices.

The approach has made Keiyu, which is listed on the over-the-counter market, one of the fastest-growing car dealers in Japan. Margins on used cars are about 20 percent, about double those of new cars sold through dealerships. The company expects sales to expand nearly 12 percent, to 15 billion yen (\$146 million), in the year ending March 31, as net profit jumps 36 percent to 680 million yen.

Keiyu also profits by turning restrictions on other dealerships to its advantage. Mainline dealers, for example, are often saddled with cars they cannot move. In desperation many turn covertly to Keiyu, allowing it sell new cars at prices below those in regular dealerships.

### Investor's Asia Hong Kong Hang Seng Singapore : Straits Times 13000-2500 index Exchange 9,163.09 Hang Sang Nong Kong 2,296,19 2,304.64 -0,37 Straits Tunes 2,066,10 All Ordinaries 2,069.10 .-0.14 19,725,25 Nikkal 225 1,055.34 Kuala Lumpur Composite 7,270.14 1-0.35 Composite Stock 900.14 909,99 Weighted Price 5,729.12 5,887,86 PSE .... 2:844.21 462.40 Stock Index 2,110.20 2,127.80 New Zesland NZSE-40 National trities 1,811.50 1,796.29 10.95 Bombay

### Very briefly:

• Playmates Properties Holdings Ltd. plans to develop a 36-story commercial and office building in Shanghai along with Harbour Ring International Holdings, a unit of Playmates Toys Holdings Ltd., and Shanghai Huanggu Urhan Construction. Financial details were not disclosed. The two Playmates companies resulted from a breakup of the former Playmates International Holdings Ltd. last year.

Delta Electronics Inc., a Taiwan computer component maker, earned \$114.6 million Taiwan dollars (\$4 million) in the first quarter, down 31 percent from 1993 because of poor profit margins and rising competition. Hong Kong Aircraft Engineering Co. said it suffered losses on its international debt securities portfolio because of falling bond prices last

year. The company did not disclose the size of the loss. Evergreen Marine Corp., the large Taiwan shipping company, plans to set up a container terminal in China, its first move into the mainland market. Evergreen has a \$50 million budget for investment in China.

South Korea's gross domestic product growth exceeded 8.0 percent in the first quarter, according to estimates based on industrial output made by the country's Economic Planning Board.

Philex Mining Corp., the second-largest gold producer in the Philippines, saw net profit plunge 50 percent, to 105 million pesos (\$4 million), in 1993 because of losses from mining operations.

Bleomberg, AFP

# China Limits Layoffs in State Companies

BELJING - China will punish its inefficient state enterprises if they cut their bloated work forces without government permission, the official Xinhua news agency reported Friday.

A package of 20 measures issued by the Ministry of Labor to curb rising unemployment will require that state companies report layoffs and pay for workers' job searches. also allows the government to veto dismissals, the agency said.

"The government will penalize enterprises when they conduct illegal layoffs," the agency quoted Zhang Xiaojian, the ministry's chief employment official, as saying,

gram aims to free state companies of enterprise reforms. About 4.2 cording to state press reports. from subsidies and administrative million workers were jobless at the orders to sink or swim in the marketplace, But with 49,6 percent of state companies in the red, compared with a third at the start of the year, the government is concerned

this policy could set off unrest. The new package calls for state aid to unprofitable companies with potential. It says hopeless cases that go bankrupt should set aside funds from their remaining assets to aid laid-off workers, the news

agency said. Last month, the Labor Ministry forecast that urban unemployment would jump 19 percent, to 5 mil-

China's economic reform pro- lion, by the end of the year because cannot meet their wage bills, acend of 1993, only 2.6 percent of the urban work force, but that does not count idle workers on reduced pay at unprofitable companies.

Another measure is an "unem-ployment warning line," which would allow the central government to send emergency funds to areas whose jobless rate runs out of control, the agency said. China has been forced to clamp

down on bank loans to bring inflation under control, slowing the economy after two years of 13 percent economic growth. Without these loans many state enterprises During a meeting Thursday to

commemorate International Labor Day on May 1, Chinese leaders tried to reassure workers that the pain would be "temporary," the China Daily reported in a separate "At present, the living standard

of some workers is not improving and some are even facing temporary difficulties," the paper quoted a Politburo member, Li Ruihuan, telling model workers.

Many workers took part in labor disputes last year and the number of incidents shot up 52 percent.

### **GE Settles in Diamond Case**

SEOUL - A South Korean industrial diamond maker said Friday it had reached an out-of-court settlement with General Electric Co. of the United States to end a yearlong

dispute over stolen technology. Terms of the settlement were not announced. The Korean maker, Iljin Corp., said details would be worked out and signed in May.

Iljin executives said under the settlement, they would import GE own.

technology for making high-grade industrial diamonds, while the U.S. concern would drop a lawsuit filed against the South Korean company. A Boston court in January found Iljin guilty of using stolen GE knowhow to develop its industrial diamond manufacturing technology and banned the Korean concern from producing the diamonds for seven years. The South Korean company appealed the decision, saying it developed the technology on its

# Indonesia Revamping Airline System

JAKARTA - Indonesia is revamping its lucrative but sluggish domestic airline sector, a move analysis said could spur airlines to greater efficiency, reduce fares and boost tourism.

To streamline the domestie sector is a step in the right direction," an analyst said Friday.
"The industry has tremendous potential in view of the country's huge population and popularity with foreign tourists."

He said the revamping would help boost the tourism industry and spur competition among domestic airlines, resulting in reduced fares and

The move will bear fruit in the long run. It'll be good for the economy," the analyst said.

The director-general of air transportation, Zainudin Sikado, said Thursday the government was revamping the domestic airline sector to eliminate inefficient operations, such as delayed or canceled flights.

He said 14 new routes would be introduced,

including several direct flights between cities in the country, which comprises nearly 14,000 islands. The sprawling archipelago spans 5,000

CMG

tional gateways and a population of 185 million.

We are committed to reducing stopover flights, which will certainly reduce fares for passengers," he said. Mr. Sikado said the new routes were needed

to meet the rising demand from passengers and airlines. Indonesia expects tourist arrivals to increase by 11 percent in 1993 to 3.4 million from 3.06 million in 1992, carning the country about \$3.6 billion.

According to government data, Indonesia has 26 domestic airlines, but only six offer scheduled passenger service. The rest consist mainly of charter lines and cargo carriers. Most of our private airline companies are now capable of operating wide-body jets," Mr.

Among the prominent carriers are Merpan, a unit of national carrier Garuda Indonesian Air-ways, and Sempati Air, which also serves cer-

tain regional destinations. Merpati, Indonesia's largest domestic airline, recently ordered 16 new turboprop aircraft. Sempati Air, partly owned by President Subarto's

CURRENCY AND CAPITAL MARKET SERVICES

kilometers (3,100 miles), has about 10 international gateways and a population of 185 million. youngest sou, plans to go public in Jakarta later though gateways and a population of 185 million. The mainly Muslim country has some of the world's most scenie spots and pristine beaches, and the cultural sights of Bali in eastern Java

> ■ Indonesia Seizes Assets in Scandal An Indonesian government official said Fri-

are a big tourist draw.

day authorities looking into a multi-millinn-dollar bank loan scandal have seized an island west of Java, 40 bouses and numerous cars belonging to a leading suspect in the case, "As part of the effort to recoup some of the losses from the letter of credit, we have seized from Eddy Tansil one island, 40 luxury houses. 39 cars and some land," a spokesman for the attorney general's office said.

The so-called Bapindo case involves an un-paid letter of credit, worth \$430 million, to Mr. Tansil's Golden Key Group, which has inter-

ests in petrochemicals.

The trial of Mr. Tansil and others in the case is set to begin Saturday. Four former employees of the state-run PT Bank Pembangunan Indonesia, or Bapindo, also have been implicated.

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### FIRST COLUMN

# Fear Edges Out Greed in **New Markets**

F you're looking for an introduction to the terrible twins of the financial markets, greed and fear, ask emerging markets investors — they probably know at least one of them personally.

The years of plenty - 1991, 1992 and 1993 - incited some investors to ever more reckless excesses of greed. For some small investors, there was a gathering momentum of avarice that went hand-in-hand with thoughtlessness. The net result was that large percentages of individuals' investable wealth went into emerging market mutual funds. And this despite warnings from commenta-tors and the industry itself that emerging market investment is supposed to be the exciting element in a personal portfolio—the top 10 percent (at the outside 15 percent) of "risk" capital.

After the years of plenty we have had four months of famine. Yet the reaction to the disappointments of 1994 has been, on the whole, surprisingly mature. There have of course been a few shrill cries of "no fair," as though it were not a marketing requirement that fund companies point out that prices can go down as well as up. The really greedy seem to have treated those caveats with a kind of simple-minded insouciance - the sort of complacency usually reserved for safety announcements on plane flights (sure, it might happen, but not to me).

Pleasingly, and perhaps surprisingly, the majority of small investors is not quite so greedy or so witless. The steadfast refusal to sell at the first sniff of difficult times may be evidence of a mature, long-term attitude to emerging market investment. Cynics might say that what it really betokens is nothing more than plain old investor inertia. The argument runs that it takes a lot to persuade investors to buy, and, once they've bought, they are even more reluctant to sell. But it is too early to tell, so judgment must be re-served on the issue of investor maturity.

As for emerging market performance, the picture remains unclear in the short term except that it's extremely unlikely that the years of plenty will return soon. Yet, on the principle that these economies really are developing, it seems on balance quite likely that patient investors will get their long-term By Conrad de Aenlle

T'S hard to imagine that there are any stock markets left in the world that have not been picked bare by Western speculators looking for higher returns than mainstream markets offer. Fund managers and stockbrokers are an intrepid lot, though, and they are now touting the virtues of investing in, believe it or not, Africa.

A number of stock markets there have

been opened to foreigners lately, and they have been accepting the invitations. Institutional investors that specialize in developing markets, mostly pension funds, had 4 per-cent of their assets in Africa and the Middle East last year, up from less than I percent in 1992, according to organizations that track hese markets.

Many mainstream emerging market funds, if there are such things, have 6 or 7 percent of their holdings committed there. Even the celebrated investor George Soros is said to have taken a flyer on Morocco.

The bets, so far, are paying off. In spite of unrest created by spreading Islamic funda-mentalism in North Africa and vicious civil war in sub-Saharan Africa, many markets have been spectacular performers in a year in which returns almost everywhere else have been not so hot

Consider these first-quarter results, com piled by Kleiman International Consultants, which follows global emerging markets: Ghana, the biggest winner on the continent, rose 80 percent, followed closely by Kenya, with a 76 percent gain, Zimbabwe, up 40 percent, and Namibia, 34 percent higher.

Morocco and Tunisia were each up 18 ercent and Egypt rose 28 percent. Some of the laggards were Botswana, which gained 8 percent, and Swaziland, up 9 percent.

South African shares were flat during the sarter, in volatile trading, in the run-up to the first-ever multiracial elections this week. This market, which has a capitalization of \$180 billion, is in a league of its own in Africa. Some classify it as an emerging mar-ket, others as developed. Shares of South African gold producers have traded in the West for many years.

The results in the fledgling markets were figured in local currencies and so were not liways as big as they seemed. People who follow these pre-emerging markets, as they are euphemistically called, point out that this is one of the many risks that speculators face. Last year, for instance, the Zimbabwe dollar was devalued by 17 percent, and the Botswana unit, the pula, is depreciating at about 1 percent a month, said Elizabeth Morrissey, managing partner at Kleiman. In many other countries, however, the currencies are quite stable. Even where that

is not the case, the rewards, at least this quarter, have outweighed the currency risks. Using the example of Ghana, Ms. Morrissey remarked that "if the market's going up 80 percent and you're only losing 12 percent from the currency, you're doing better than in London or New York."

Cautious Cheer for Africa Markets

True, but the risk of civil war is less in nose cities, too.

Dan Smaller, an emerging markets spe-cialist for Lehman Brothers, notes that political instability is the rule in these countries but that investors who accept that have been well paid. He dismissed the impact of Islamic fundamentalism in Egypt, for instance, by saying that "people realize Egypt has a strong government with a very vocal minor-ity. Local Egyptians are confident in their economy and their market."

One complaint about investing in Africa is that record-keeping and storage of shares does not meet Western standards. "There's still some concern over custody," said one observer of these markets who insisted on anonymity, "like whether you have to fly over and hold your shares in the hotel safe."

Liquidity is also a problem. The Ghanaian market, for instance, has a capitalization of about \$157 million. Many American overthe-counter stocks are much bigger. But the markets are growing, mainly be-

cause the countries' economies are, as well. One of the fastest is Morocco, where Mr. Smaller forecasts a 10- to 12-percent rise this year in gross domestic product with 9 percent interest rates and 4 percent inflation. "Each privatization they do has gone ex-tremely well," be added. "They have taken a

lot of positive steps to create mutual funds and pension funds. They're moving in the right direction at good speed." Many governments have privatized state industries and have taken other steps to

expand market participation reminiscent of another region that made good. "Most of the open African markets are going through the same machinations that the Latin American ones did at the end of the 1980s," Ms. Morrissey said. "With con-tinued economic liberalization, companies

are going to keep growing "A lot of these markets have learned from some of the drawbacks we saw happen with the emergence of other markets," she added. The markets in southern Africa are also being helped by the lifting of sanctions in

South Africa, even if shares in that country itself have not done well. "One of the major reasons to invest in Africa is that since sanctions have been removed, for the first time in four years the reconomy is coming out of recession," said Marianne Hay, who manages the Morgan Stanley Africa Investment Fund, a pan-Afri-can fund recently listed on the New York **Emerging Markets** 

Page 19 Investing in India Emerging-market bonds 'Ethical' Investing



'Quantitative' management methods Latin American markets

Stock Exchange. Noting that a drought in the country is also ending, she predicted that South Africa's GDP will grow 2.5 percent this year and 4 percent next year.

Two funds that specialize in South Africa were listed in New York around the same time as the Morgan Stanley fund, and broader emerging market funds are likely to increase their exposure in Africa. Barclays Bank announced last week that it was the first fund manager to get U.S. regulatory approval to invest in several central and outhern African markets.

Speculators who want to try their hand at picking an individual African stock can go to one of the larger brokers, who in turn can make the purchase through a local firm. The transaction costs will probably be higher than for Western stocks, though.

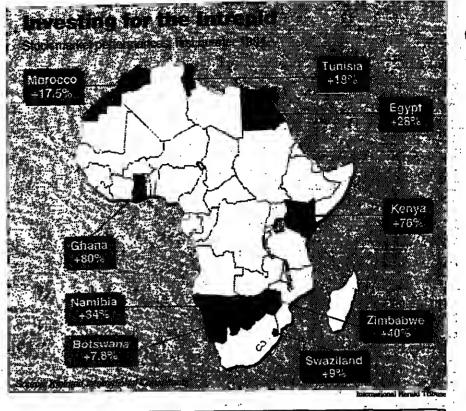
While the African bandwagon is starting to get crowded, some cautious types are refusing to hop on. One veteran analyst notes that not many years ago, emerging markets were dismissed as "cats and dogs." just like American penny stocks.

Fans of the markets realize the idea sounds weird to people who are used to buying nothing more unorthodox than General Motors, but they insist that there are tremendous long-term opportunities. Ms. Morrissey said that the average Westerner should put very little money into Africa, but that "it should be part of an emerging markets portfolio, simply to balance what may happen in Mexico and Asia. It's simply part a broader diversification strategy.

Despite their sudden interest, foreigners still account for a relatively small 10 percent or so of total capitalization in African mar-kets, one of their main attractions.

You can talk about what Morgan Stanley does from now until forever, but what you've got to look at is that Joe Schmo on the street is putting money into the market, showing confidence in the economy," Ms. Morrissey asserted. "What you have to convince yourself of is that these economies are on the right track finally after 20 years at the

The Money Report is edited by Martin Baker



# South Africa Funds Start Slowly

HREE African funds listed in New York started trading within a month of each other last winter. anticipating the elections this week in South Africa. The timing turned out to be

The funds were brought to market "on the back of a lot of hype," said Thomas Herzfeld, a specialist in closed-end funds. They all came out at \$15 a share, stayed there briefly as their underwriters apparently supported the price, then sank and haven't come close to

The South Africa Fund and the New South Africa Fund will invest mainly in that country. The Morgan Stanley Africa Investment Fund has much of its assets there, because it is the most liquid market, but it was created as a pan-African fund.

Marianne Hay, the Morgan Stanley fund's manager, said that once the fund is running at full speed, she hopes to keep 35 percent of its assets in South Africa, 20 percent in sovereign debt and 25 percent in Morocco, Botswana, Tunisia and Zimbabwe. The rest will be in shares of Western companies that derive at least half their revenues in Africa.

The Morgan Stanley fund has had the worst showing of the three, dipping below \$10 before climbing back to \$12 after a tenu-

ous peace was made between the African National Congress and Zulu nationalists. The violence in South Africa and much of the rest of the continent sent the price of the fund well below the value of its assets. "In the very short term, we're seeing the worst possible situation in South Africa," said Miss Hay. "In areas like Africa, where

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you're seeing pictures of violence every day in the press, it scares away investors." Noting that the continent is the last to attract foreign money, she said that while other regions "have had more attractive

shorter-term returns, Africa will eventually catch up with other areas of the world." Much of her fund's assets have been in African government debt, which fell with a thud recently, along with most emerging market debt. What has also hurt is a fall in the financial rand, the currency through which all

South African transactions are effected, Dan Smaller of Lehman Brothers finds the market the most exciting in Africa, "even though it's done pretty miserably." He said that with sanctions lifted, the market will soon become a fixture in emerging market indexes, meaning institutions that index will be forced to buy exposure. When that hap-pens, he said, "South Africa will see emerging-market-type investors, not just commodity players and gold bugs."

C. de A.

### **INVESCO Fund** Performance Comparisons

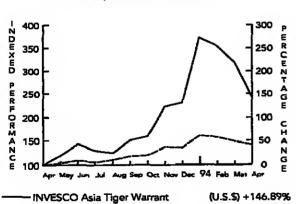
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**EUROPEAN WARRANT FUND\*** (From 1st April, 1993 to 28th March, 1994) 300 150 250 100 Å 200 150 Apr May Jun Jul Aug Sep Oct Nov Dec 94 Feb Mar

- INVESCO European Warrant Fund (U.S.\$) +130.82% ---- MSCI Europe (U.S.\$) +19.05% Source: Micropal, offer-to-offer, no income (U.S.S)

**FUND OBJECTIVE** To provide shareholders with capital growth from a highly geared investment in the European equity market through equity warrants.

> **ASIA TIGER WARRANT FUND\*** (From 1st April, 1993 to 28th March, 1994)



Source: Micropal, offer-to-offer, no income (U.S.S) To achieve long-term capital growth from a highly geared portfolio of Asian equity warrants.

---- MSCI Pacific ex Japan

(U.S.\$) +38.17%

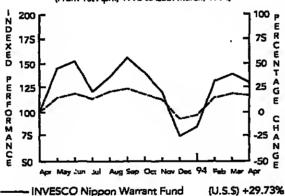
\* Investors should note that equity warrants are a highly geared form of investment and therefore are categorised as high risk.

Typically they should form no more than 1-2% of an overall balanced portfolio.

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**NIPPON WARRANT FUND\*** (From 1st April, 1993 to 28th March, 1994)



(U.S.\$) +17.19% ---- Nikkei 225 Stock Average Source: Micropal, offer-to-offer, no income (U.S.S) FUND OBJECTIVE

To provide shareholders with capital growth from a highly geared investment in the Japanese equity market by means of a portfolio of Japanese equity warrants.

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GLOBAL EMERGING MARKETS FUND (From 1st April, 1993 to 28th March, 1994)

200 75 E 175 50 A 150 25 C 125 Apr May Jun Jul Aug Sop Oct Nov Doc 94 Feb Mar

- INVESCO PS Glob. Emera, Mkts (U.S.S) +42,77% ---- MSCI World Index (U.S.S) +14.90% Source. Micropal, offer-to-offer, no meaning (U.S.S)

FUND OBJECTIVE To achieve capital growth from investment in leading companies based in the emerging markets of the world.

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### THE MONEY REPORT

# India: The Jewel Could Use Polishing

By Philip Crawford

government committed to economic liberalization, high earnings-growth projections in the corporate sector, and he stability of an entrenched sharbolding culture have all been cited is reasons wby India could develog into the jewel of the emerging-makets

But uncertainties linger: an inc\_ licient settlement system that buckled under the weight of heavy for-eign investment during last year's fourth quarter; the problem of volatility common to many emerging markets, and lears that growing foreign competition within India will put a damper on the earnings

Some analysts also feel that the Bombay Stock Exchange, whose index bas gained about 80 percent since mid-july despite a 13 percent plunge in early March, could be due for a major fall.

There may be corrections in the offing," said George Long, manag-ing director of BZW Investment Management in Hong Kong, which runs two India funds managing about \$485 million.

The consensus on India, analysts say, is that it's still a good long-term play, but also a market that may be plagued with settlement inefficiencies and other growing pains for years to come.

India's securities market is still reeling from the tidal wave of investment capital that hit the country last fall, flooding its outdated, noncomputerized settlement system and promoting the leading custodian bank that deals with investment in India, Hongkong & Shanghai Banking Corp., to take the unprecedented step of indefinitely turning away all new husiness. That moratorium, which began on Dec. 6, is still in effect.

On Dec. 31, Hongkong bank took the further step of placing limits on the trading volume it would handle from existing clients, such as major fund groups whose products are geared toward international retail investors. "The basic problem involved the

amount of funds flowing into the market, as well as the speed at which they were coming in," said Nick Bryan, senior relationship manager for global securities at Hongkong bank. "We had anticipated about \$500 million coming into the market during 1993, bot the figure in fact turned out to be more than \$1 billion."

Indian counties, traditionally ori-

tively traded 88 companies, trade in lots of 50, while "nonspecified," or "B," shares sell in lots of 100. As the market heated up last

year, driven by domestic and by loreign players, a typical order by a major fund company nr other institutional investor often involved bundreds of thousands of shares. tem simply couldn't handle the vol-

"The market was flooded with share certificates," said Mr. Bryan, noting that each document and a orresponding transfer deed had to dergo many layers of manual pre-essing. The task of registering new wnership of traded shares has now selled to 5 or 6 months, he said. I grty days is considered long in developed markets.

A furth- complication is new legislation e acted in March by the Securities and Exchange Board of India, known s the SEBI, which outlawed the active of brokers to "roll over" trade, by which they could trate over as extended period withou having to pay for the shares. The SEBI's icea was to cut down on seculation, but analysts say the move bus also dried up liquidity and set off a small war between hovers and the SEBI.

However despite these compli-- the major ehicles for retail in-

ested mutual funds. Total ratum in U.S. dollers India Magnus Fund. India Growth Fund inc. .76.70 :50.37 India Fund A 50.33 First Indian In 23.04 SECTOR AVERAGE India Growth und Inc. First tradian t .139.36

**Indian Market Funds** 

Jardine Fleming Investment Management in Hong Kong. So you've got economic recovery, declining interest rates, and the long-term positive effects of the deregulation policies that began a lew years ago now beginning to leed through. It's a fairly encouraging macro pic-

Mr. Boyer, who also manages the JF India Trust, a \$328 million Hong Kong unit trust, said he excations that nhibit the ability of pected annual per-share earnings mutual fund and investment trusts growth in the Indian market to exceed 20 percent for the next three vestors in Inc. - to trade in the years. Acknowledging the prob-

The conensus on India is that it's still a good low-term play, but also a market that may be pagued with settlement inefficienies and other growing pains for years to ome.

ing these funds sayhat India's committed to improving the system in line with its policy of bringing the country into the global investment mainstream. achievable

This week, for exampl Londonbased Fleming Investort Trust Management Ltd. laundi a share offer for the Fleming kian Investment Trust, a closeled fund that will invest in a wide nge of Indian equities. Jonather Boyer, who will manage the fund is that Indian companies are nip learn-

market, new India luds continue lems with settlements, be also said to crop up. The compaies launch- that the Indian government was

> Mr. Long of BZW, which runs the open-ended Bombay Fund Ltd. as well as the closed-end India Fund Inc., which trades on the New York Stock Exchange, said that some estimates put per-share earnings growth in India at closer to 30 percent a year through the

Another aspect of the backlog which clogged the veins of the market involved the small lots in which Indian equities, traditionally oriented toward domestic retail investors, are traded. "Specified," or indian companies are major bottlenecks," he said. "Settlement and custody issues are major bottlenecks," he said. "And India is still very volatile. But he bullish going forward. The bottom line," he concluding the control of the total economy, and unlike Chiproblems."

na, India has a market that has been around Inr a Inng time. That gives it a certain stability that China doesn't have right now. The total market capital of Indian equities is currently estimated at between \$100 hillion and \$120 bil-

Scobie Ward, who manages Hong Kong-based Lloyd George Management's L.G. India Fund, said that India was "research intensive" and that successful stock picking often involved venturing into remote parts of the country to meet the managers of lamilyowned companies. He added that 10 percent of the L.G. India Fund was invested in global depository receipts, or GDRs, in Indian com-

panies. Such shares, offered by about 20 Indian companies, are traded on exchanges outside the enuntry. They offer an alternative to investors seeking exposure to India.

Some observers who like the Indian market emphasize that projects such as a central share depository, a comprehensive stack exchange to replace the 23 now in operation, and a computerized trading and settlement system are all under consideration, steps which they say should hring India' efficiency into line with major mar

Others are not so sanguine. "Things have slowed down a lot since February," said an analyst based in Bombay who requested anonymity. "And some people have forgotten what happened in the fall when the crunch really hit. But the systems still just aren't there, ft'll be two years before we'll five years before things will be real-

# Leverage Rocks Emerging Bond Markets

وكنامنالأصل

By Rupert Bruce

MERGING markets have recently been dubbed "submerging" markets, and nowhere is the epithet more appropriate than in the bond markets.

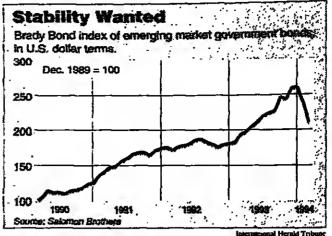
Since the Federal Reserve Board starting tightening its monetary policy on Feb. 4, these markets which are mainly Latin American - have sunk like stones. The Salomon Brothers Brady Bond Index which measures the capital value of emerging markets' government bonds, fell nearly 20 percent in February and March.

Barton Biggs, director of world-wide equity research, strategy, and economics at Morgan Stanley, blames leveraged investors. The correction was entirely technical," he says, "and I think it came about because the indigestion in other markets and the losses that the hedge funds and other players took forced them to cut back in these markets."

John Purcell, managing director and head of the emerging markets research group at Salomon Brothers Inc., adds that some of the domestic Latin American investment companies were leveraged, meaning that they accentuated the unpact of upward or downward moves of the market through the use of such derivative instruments as options and warrants, which can be used to replicate the effect of borrowing money.

Leveraged investors make markets more volatile because if they invest \$1 million and borrow another \$4 million, their investment only has to fall 20 percent for the initial capital to be wiped out. In practice, leveraged investors get called on to put up more capital or "margin" — as their investments fall and this often leads to selling elsewhere. The result was that there were many forced sellers, and some could not meet their margin calls. In this way market drops can be

self-feeding Beyond this, political strife in Mexico has sent shudders across the continent. When Luis Donaldo



Colosio Murriera, the presidentelect, was assassinated in March, investors were reminded that political risk still exists. And a couple of kidnappings, one this week, have

The buil market in emerging market bonds began in earnest at the beginning of 1993. According to Leena El-Ali, a fund manager at Foreign & Colonial Emerging Mar-kets Ltd., the markets had been

American Income Company, or LATINCO, a Luxembourg Sf-CAV, or mutual fund, rose more than 11 percent. This year, LATEX is down 12 percent, and LATINCO

Ms. El-Ali says that many of the leveraged American investors were tempted to buy Latin American debt because they could borrow in U.S. dollars at 4 percent, and then buy bonds with income yields at

Leveraged investors make markets more volatile because if they invest \$1 million and borrow another \$4 million, their investment only has to fall 20 percent for the initial capital to be wiped out.

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can flight capital buying them through Swiss banks. But, around the middle of the year, U.S. investors started to buy.

During the year, the Salomon Brady Bond Index climbed more than 40 percent. Many investment of the 1980s when most govern-funds prospered and grew with it. Foreign & Colonial's Latin Ameri-payments. Therefore, the relatively can Extra Yield Fund, or LATEX. which is listed on the London Stock Exchange, rose almost 35 percent,

driven until then by Latin Ameri- least 2 percent higher. Any capital gains were a bonus.

For those investors who were not leveraged, the standard investment theme was: Latin America's borrowers were becoming more creditworthy lollowing the dark days payments. Therefore, the relatively high income yields on the bonds looked secure, and should fall. This would lead to a rise in the capital Mr. Biggs believes that the fun-damental reasons for buying in these markets have improved just

as prices have lallen.
He cites Peru as an extreme example: "Peruvian bank debi has gone down from 75 cents to 37 cents, the biggest fall out of any of the papers we follow, and yet in the same period the Peruvian stock market is up, and the Peruvians did a privatization that instead of rais-ing \$1 billion raised \$2 billion. The economy is growing faster than expected at 9 percent, and inflation is coming down faster than expect-

In Peru, like many emerging markets, bank loans to govern-ments are traded in expectation of them being converted to Brady bonds at some point in the future. Mr. Biggs says he is "definitely" a buyer of Latin American bond markets. However, he believes a couple of things have to happen before they can stabilize.

"There are two things the markets need," he said. 'First of all, they price themselves off U.S. suries and the problem has been that spreads have doubled in the last three months. Stability in the U.S. Treasury market would help. And, second, they have to get through this indigestion, and we are making a judgment it is pretty well through."

Emerging market bonds are priced relative to U.S. Treasury bonds because investors assume they are more risky, and therefore should be cheaper. For that reason, they tend to have higher yields. But as the risk is perceived to decline, so the spread between their yields and those of U.S. Treasuries nar-

Mr. Purcell is unwilling to predict when stability will return to the U.S. Treasury market and so to emerging bond markets. But be beheves that in a year's time the United Mexican States 64 Dec. 31 2019, the benchmark Latin American bond, will have risen in value by about 10 percent. When that is added to the income yield, it could give a total return of as much as 20

# Finding 'Ethics' in leveloping Markets

By Tom Crampton

YNICAL observers tond to argue that emerging markets are hotbeds of capitalism ruled by the law of the jungle. The only ethical claim they make is that the market will, in the long term, lift the expicited from misery.

Following the trend of environmentally sound investing, however, some fund managers have begun to build emerging market funds with a

This sound: nice, but would you know an ethical company if you saw one?

Not outside the United States, said Peter Chines of the Washington-based Investor Responsibility Research Center. The center is an investment research company that gathers information on the S&P 500 companies to allow subscribers to screen their portfolios on a vari-

ety of social issues.

"We get our information from
government sources." said Mr.
Chines. "This information is available to anyone who asks, we just compile it on a daily basis.

"It is very different outside the U.S," Mr. Chines added. "In America there are certain laws that require public reporting like the Toxic Substances Control Act. The Freedom of Information Act also allows us to go through informa-tion that is not intentionally dis-

trinuted to the public."
Even in developed markets, Mr. Chines said the information is hard to find. "Elsewhere we have found nothing like the information that is available in the U.S. We did a scoping study in the U.K., but found that it was not feasible.

Beyond a simple lack of accurate information about companies, Mr. Chines said investors must decide what criteria to use. One method is to compare a company's perfurmance against its peers in a given industry. Another method is to judge companies by their gross impaet - a given amount of toxic emission is had no matter who is responsible for it. But the latter criterion, said Mr. Chines, will lead you to reject large companies, and even entire industries. Another consideration "is environmental justice, or, what the company puts back into the community.
Two funds, Calvert's World Val-

nes Global Equity Fund, and Credit Lyonnais's Eureo Solidarite. wrestle with ethics in emerging markets using radically different арогозспесь.

The Calvert World Values Glob al Equity Fund was set up in 1992 with what Steve Schueth, the Calvert Group's vice president for so-

"double bottom line."

above their peers." Andrew Preston, investment manager at Murray Johnstone International Ltd., which manages the Calvert World Values Global Equity Fund, said that identifying those companies can be difficult.
"The problem is a lack of information or the veracity of that informa-

"It is basically impossible to check up on everything a multina-tional is involved in. We just do it to the best of our abilities," Mr. Preston said. "In many Third. World countries, where it is next to ternation a SIDI, to develop impossible to find out enough, we small copies in Central and are forced to lall back on negative Eastern log." Mr. Vaslin said.

The Calvert fund's negative

‡**kall**back

ment and labor relations.

"We look at the traditional by Social conscience aside, Mr. tom line, which is quantitative Schueth said, clean companies are How much money can we make a sound long term investment.

Then we look at the second bottom. They are less likely to be faced line, in which we try to gauge the with the liability of a large eleanup quality of the company relating to morrow, if they are clean today." its products and bow it operates. The Calvert fund, with \$107 mil-Mr. Schueth said. Iva under management, returned He added: "We look at all the 125 percent over the past 12

stakeholder groups, meaning not anths, according to Bloomberg just the shareholders, but also embaness News. ployees, vendors and suppliers, the Mr. Schueth is upbeat about the communities in which the compa-nies operate, and the environment warkets. "Our U.S.-based so-We get a character profile of companies and invest in the most so-cially responsibly managed in any given sector. We look for companies that are head and shoulders

cially-responsible investing, cale with buman rights, the environ- job of running a profitable lund

al) conscious funds provide us the history of showing that we can well by doing good." Unlike te Calvert fund, Eurco Solidarite tate ethical problems with its prist not its investments.

kind does not directly invest in saying markets, and its investmean ethically blind. "For the most his fund is made up ex-clusely of French stocks, and we looks the best-performing com-panion pet as high a revenue as possit, said Michel Vaslin of Credityomais, which manages

"It essential that we make as much nor as possible, as half the earnings to the Societe d'Investissement & Développement In-SIDI is corpany run by the Catholic with which organizes

screening checks companies for involvement in the tobacco industry, tise for sm: companies in Eastern weapons-making and nuclear pow-er. The positive screening deals allows him concentrate on the

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ethical subtleties. The fund, be said, "is a way for bankers, who do not necessarily know anything about how to help impoverished people, to aid in de-

veloping market economies. Set up in 1991, Euroo Solidarité has grown to 132 million French Iranes (523 million). Last year the total return was nearly 21 percent, half of which went to SIDI. Not only dn investors know that their money is belping to develop East-ern Europe, said Mr. Vaslin, but they also get a tax break on their

Laurence Rouget-Le Clech, a di-rector at SIDI, concurred with Mr. Vaslin. "A problem we have often run into in Poland is that people only want to make last money. It is difficult to find responsible entre-preneurs who will carry a business

through for as long as a year."

Although the objective is devel opment, not maximal profits, Mrs Rouget-Le Clech said unethical companies are not necessarily ex chided from receiving help from SIDL "If we made ethical treatment of workers a sine qua non los investment, we wouldn't put any money into Poland."

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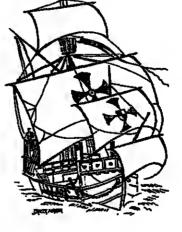
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It will also seek out smaller, less well-known companies with the potential to rake maximum advantage of the economic revival in the area.

The Fund's investment advisor is Gartmore Capital Management Limited, complemented by the sub-advisor Indosuez Capital Larin America.

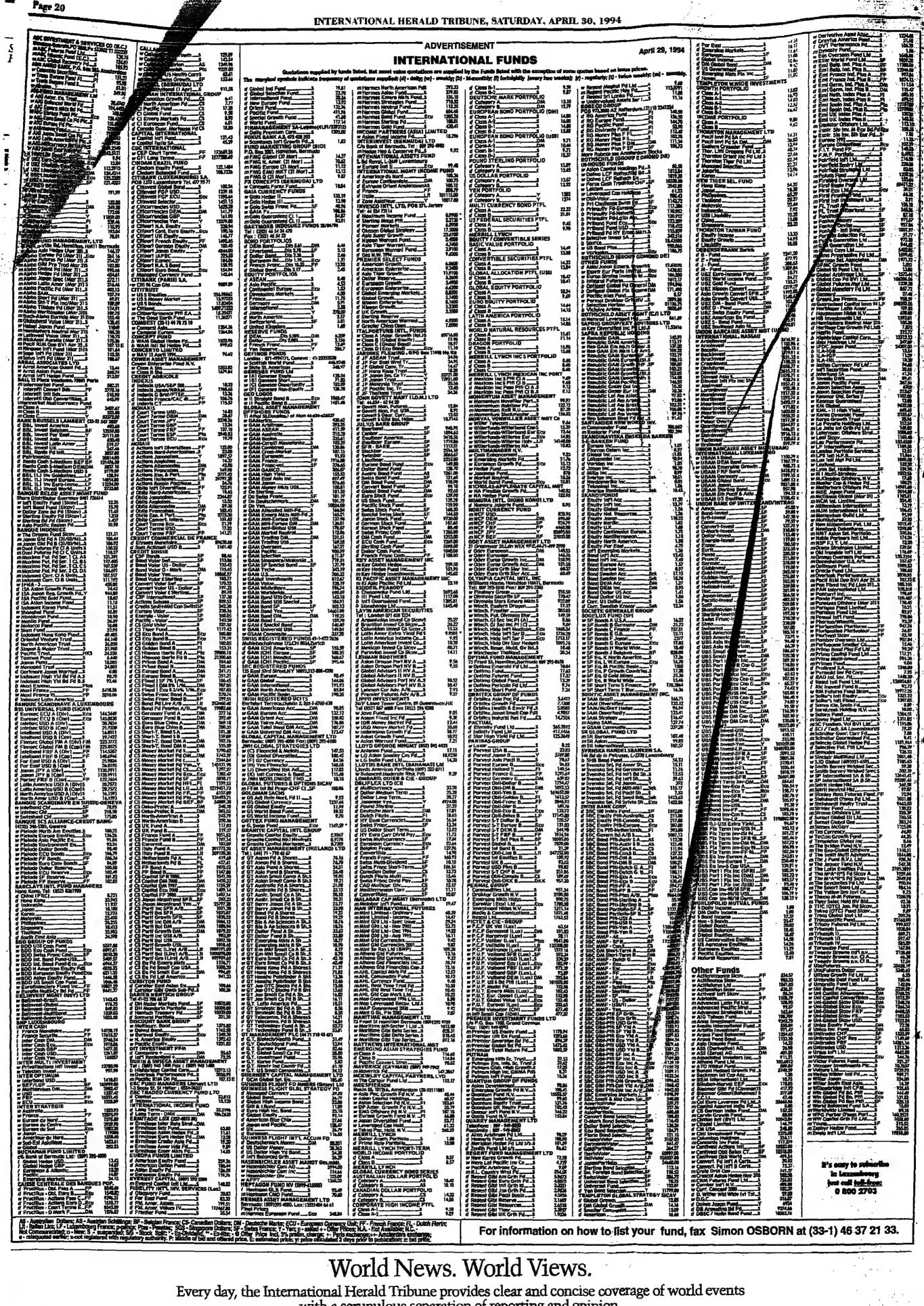
Both companies have long experience of investing in the region, and ICLA's four locally based research offices will provide up to the minute analysis of political, economic and individual company developments.

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hence do not generally extend to investments in Indone: Latin America Fund. Inserting are reminded that the value of and the Inserting ment investment must fluctuate and that changes in the same present surrences may have a superare effect. As a country of the Portions in incition, in decrease. As a result, investing must always get back the amount originally invested.



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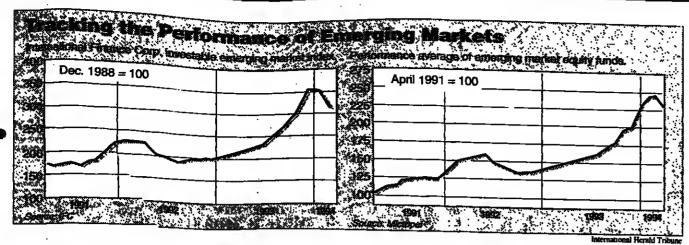
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### THE MONEY REPORT



# The Third World Goes 'Quantitative'

By Rupert Bruce

Park a Bang

are brioging oumber-crunching, computer-aided investment management techniques to bear on companies in emerging ones. "Quantitative" techniques, as these are called, are gaining in popularity and growing in terms of the amount of money they manage. U.S. firms such as Acadian Asset

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Managers, Emerging Markets Investors, Montgomery Asset Management, and State Street Global Advisors all swear by these methods. Between them they embrace two approaches: simply tracking one of the global emerging stock markets' indexes, or trying to beat

But there is an innate contradiction in their approach: The Third World data upon which they rely are ootoriously unreliable.

Arnab Banerji, chief investment officer at Foreign & Colonial Iovestment Management and a traditional "qualitative" manager who relies on his analysts' judgments about stocks, produces many examples: When the Chinese post an economic growth oumber they may underestimate inflatioo and overstate growth, he says; China's interest rates do oot give you much of an idea about the cost of mooey because some just cannot borrow it. And China is far from exceptional,

He also says that the indexes that these quantitative funds rely oo as their benchmarks are flawed as averages of emerging market perfor-

one - covering stocks that inter-HANDFUL nf investors can buy — tend to be high quality but limited in their coverage, while the more comfrom developed markets prehensi e are oot updated regulary enough

Bryan Sutweeks, portfolio manager and a nanaging director at Montgomery Asset Management, is vigorous in defense. He contends that in markets from Malaysia to Mexico the quality of data is fairly reliable and improving all the time, He also says it is possible to "wash," or adapt, some data to make then more usable.

"We would say that emerging market dati is as good as the Unit ed States' vas 20 years years ago." he said, "and we have been using quantitative techniques in the United State for 20 to 25 years." Jeffrey Davies, vice president in-

ternational investments at State Street Global Advisors, says that on smaller stock markets, while the backwardness of emerging markets mans that numbers are harder to come by, it also means that they are easier to beat. True, he cannot use some of the highly complex strategies that quantitative techniques use to try and outperform markets in the developed world. Bu these are ool

which acline a stock portfolio to look fo cheap stocks measured by such ruos as "price to book value," workin these markets, be said. "lo summary, thee markets

tend to get to extremess overvaluations relative to eacl other and very simple screens allo you to tilt your portfolio and be: the mar-

But one argument thanolds true

for quantitative funds in developed markets does not hold true here. Index-tracking funds have tradi-onally sold themselves on the grounds that most traditional qualitative funds have tended to underperform the indexes that measure established stock markets In

Frank Russell Co., the international investment consultant, has found that almost all of the investment managers on its database have beaten the global emerging markets stock indexes during the last three years. They also boast lower volatility.

"Everyone has their time to the

emerging markets, the opposite is

suo and most of these indexes tend to be very heavily weighted in Mexico and Malaysia," said Mark Castelin, senior investment strategist at Frank Russell, adding that the managers did well by concentrating

However, investment managers are far from being consistent performers. Frank Russell has yet to find one that can remaio in the top quarter of its performance league table for more than nine mooths. Mr. Castelin says this is because the managers tend to take big bets

on individual markets. The wild ups and downs of the markets mean they can be hig winners one year and losers the next. This is where the quantitative managers who try and beat the indexes think they have an advantage. They say that their approach means they are less affected by swings in market sentiment, Instead, the cool-headed computers crunch ecocomic data and tell them where to jovest their money.

Mr. Sudweeks cootends that his

with U.S. markets and spoil the

approach is uousually rigorous,

given the vast amount of data he

collects - macro-economic and

from sending analysts to visit com-

In truth, those quantitaove man-

agers who try to beat the markets

only use computers as an aid.

Montgomery Asset Management,

for example, uses its quantitative

programs to choose the countries it

should invest in, and tends to make

the stock-specific decisions itself. It

also overrides the computer nn oc-

casions, as it cannot make judg-

ments about such recent events as

Mexico's recent peasant uprising

and the assassination of the ruling

these so-called "active" quantita-

tive funds should be considered as

competitors of traditionally man-

aged funds. They show oo clear

performance advantage over the

traditional funds, but some ioves-tors may be happier with their rig-

As for the index trackers, Mr.

Castelin says there is a place for them despite their inferior perfor-

mance. Research has shown that

U.S. investors should diversify at

least 20 percent of their portfolios

internationally for the best trade-

off of risk and reward. And Mr.

Castelin adds about 2 percent of

the portfolio should be in emerging

But that research has been done

with reference to the global emerg-

ing markets indexes, he says. Anything other than an index fund might invest heavily in stocks that

move io closer synchronization

orous approach.

markets.

Regardless of their methods,

party's presidential candidate.

Thanks to the imperfect state of the pan-

### International Advisory Group Provides Hedge Fund Ratings

investment sectors of the 1990s. They have attracted billions of dollars of investment; they have been the subject of much curiosity. speculation and an increasing amount of publicity - but a oumber of important questions remain largely unanswered.

Have they been a good investment? Are they really as low-risk as their high-profile publicity elaims? International Advisory Group, a Nashville, Tennessee-based firm, is one of very few research organizations that claim to have the answer to these questions.

ment adviser, and constructs model portfo-lios for its clients. It also sells its research on

But how much money should an individual have before investing in a hedge fund? George P. Van, the group's chairman, said, \*\$375,000 is the average investment size. But investments by individuals can vary between

Those with the investable capital and the interest in these funds can obtain more infor-

### New Association in Britain Reports on Mutual Funds

Investors and would-be investors in the British mutual fund market have responded enthusiastically to a new information service started by the British industry's trade association, according to reports from that body, the Association of Unit Trusts and Invest-

In its first seven weeks, more than 7,000 people called the association's telephone service, with 1,500 writing in for an information

half the callers own oo funds," said Victoria Nye, the association's communications director, "Although it's a \$150 billioo industry there is always the danger of preaching only to the converted."

The number of the association's service in London is (44 gl) 207-1361. Letters should be addresed to AUTIF, 65 Kingsway, London, WC2B 6TD.

# A Rough Ride in Latin America

المحيال ما يذه

**By Martin Baker** 

EW investors have had so traumatie a start to the year as Latin American enthusiasts. The Trib Latin American index has lost about 8 percent nn the year, falling from 122,35 at Dec. 3t to around the 112 mark at the close of the week. And it got there via a mid-February peak of 155.89. That, especially for a five-country index which you might expect in have flatter loss- and gain-curves, is a very rough ride indeed.

investment prospects have not been helped by a stream of bad news emanating from the area. This week's resignation of Ruth de Krivoy, the governor of the Venezuelan central bank, has knocked confidence in the government's contentious monetary policy. Half the members of the bank's board resigned in sympathy with the gov-

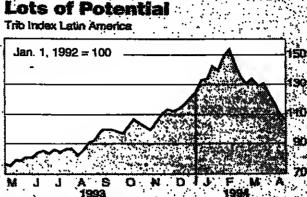
In March, Mexico and many of its Latin American trading partoers were hurt by the assassination of Luis Donaldo Colosio Murrieta. the ruling party's presidential can-

"And then there is the change 10 U.S. monetary policy and the crucial shift in the direction of U.S. interest rates," said Christopher Poll, ehairman and chief executive officer of the international ecooomie data and fund statistics firm, Micropal Micropal tracks more than 1,000 funds in its "Emerging Market Fund Monitor" publication, and Mr. Poll argues that events have reached a critical juncture for those invested in Latin America.

"The Latin American markets right oow are all about investor confidence. The markets have suffered badly this year, but they will bottom if favorable sentiment can be restored. Key to that is U.S. interest rate policy.

Yet the stream of fund investment opportunities to commit capital to Latin America is steady and continuous. Surely the prevailing

のできるなどはいい



conditions of uncertainty make for bad timing?

"On the contrary, it's rather good timing," says Bill Parker, a Paris-hased director of private haokiog at Baoque lodosuez. which is launching a Luxembourgdomiciled Latin American fund The reaction to the rise in U.S. interest rates has probably been a little overdone. There was a lot of selling, especially in the deht mar-kets, that was for technical reasons. lo other words, there were lots of highly borrowed hedge fuods which couldn't stay in the market once things moved against them. And their moving out accentuated

The Indosuez fund will use some of the derivative instruments favored by hedge funds to enhance returns, or hedge against losing profits already made. But, Mr. Parker said, derivative investment will account for oo more than 5 percent of the assets invested. The rest of the fund will commit money "purely to equioes" across the major Latin American markets. Larg-er companies will account for 30 percent of the portfolio, and 60 percent will go into medium-sized companies, which Indosuez believes is the major growth area in Latin America.

Tony Fraher, manging director of Singer & Friedlander Invest-

offer period on his firm's Latin

American fund nn Friday. Mr.

Fraher argues that the markets have plenty of scope for upward

movement, thanks in part to sus-

"Look at the oil price. It's around \$15.70 a barrel for Brent

Crude. A couple of months ago it

was \$13.50. Take into consider-

ation that U.K. oil production has

hit an all-time high, and that the

OPEC countries are still pumping

that's in plentiful supply, hut

whose price is still rising. That

means demand's up, on the back of

commodities, such as iron ore. Bra-

zil is the world's biggest producer. Chile is the world's biggest produc-

er of wood pulp, with Brazil oot far

economie activity.

with more to come.

it nut, and you see a commodi

tained global economic activity.

markets they choose," said a spokesman. "We don't expect all the markets to move together. The ones we like include Argentina. which seems to be doing all the right things economically. Brazil, on the other hand, has a lot of difficult questions to answer." The idea of concentrating on the maio Latin American markets in difficult times is a common theme in the fund industry. Scudder, Stevens and Clark, the U.S mutual

the prospects for Mexico and Ar-

gentina.

That enthusiasm finds a mare

somber echo at G.T. Management

in London. There was an element of market bubble about Latin

America, thanks to easy U.S. mon-

etary policies and interest rates. That's gone now — so investors

have to be very careful about which

fund giant with more than \$90 billion under management - \$6 billion of which is in emerging markets - has just unwrapped a new Latin American fund aimed at the mainstream markets. "lovesting in Latin America to-

day has everything to do with in-vesting in wholesale and dramatic change," said Edmond D. Villiani, president of Scudder. "Although investors can expect volatility, fundamentals have fallen into place throughout much of Latin America that support the potential for longterm economic growth." The Scudder Latin America In-

The Latin American aspect, argues Mr. Fraher, is that there will be "increased demand for other vestment Trust is listed on the Londoo stock exchange. It will "emphasize . . . Argentina, Mexico, and Brazil with small iovestments elsewhere in South America." It is intended to offer international investors exposure to the expertise the firm already offers its U.S. elients.

A further argument adduced in Not all analysts are persuaded, favor of Latin America is the return of "flight capital." Singer & Fried-lander estimates that \$100 billion however, that hig means best in Latin America. Mr. Poll, for examleft the markets during the uncerple, puts the small market of Chile tainties of the 1980s, and that only way at the top" of his list. \$40 hillion of that has yet returned

But in Latin American markets all things are relative at the mo-But the picture is not universally ment. Even a country which comes pleasing. Mr. Fraher says that in-vestors should choose their markets may not be a lucrative investment out much better than its neighbors ment Funds in London, closed the carefully. He is enthusiastic about for dollar-oriented investors.

# BRIEFCASE

### Vanguard Introduces Fund To Follow 12 New Markets

Vanguard Group, an American fund company that is one of the largest providers of index funds, has introduced what it bills as the "first passively managed emerging markets mutual fuod for individual investors." The Emerging Markets Portfolio will try

to match the performance of the Morgan Stanley emerging markets index, which tracks 12 developing stock markets in different parts of the world: Malaysia, Hong Kong, Thailand, Indonesia, Singapore, the Philippines, Mexico, Argentina, Brazil, Turkey, Greece and Portugal. It would be too expensive for the fund.

which is expected to have a very low expense ratio of 0.6 percent a year, to buy every stock listed oo all 12 markets. Instead, Vanguard will try to achieve close to the performance of the index by putting 95 percent of the fund's assets into a statistically selected sample of about 300 stocks. The rest will be held in cash to handle redemptions.

Most funds that track indexes like the Standard & Poor's 500 keep only a tiny fraction of their assets in cash. The high percentage in this fund reflects the volatile nature of emerging markets, and of the publie's affection for them. Many of the Southeast Asian markets, for instance, rose sharply last year and then fell in almost as spectacular a manner a couple of mooths ago. For that reason, the company is urging investors not to sink their entire wealth into this fund.

"The Emerging Markets Portfolio is designed for individuals who wish to complement a soundly balanced investment program of U.S. and international stocks, bonds and money market holdings," Vanguard's chairman, John Bogle, said in a statement announcing the new fund. The minimum investment is \$3,000. or

\$500 for retirement accounts. Unlike most Vanguard funds, there is a 2 percent entry fee and I percent exit fee paid directly into the fund to cover the costs of buying the stocks in the portfolio, which in an index fund tend to be borne by the initial buyers.

### Long-Term Growth Seen in 5 Ex-East Bloc Countries

A survey of more than 200 international investors and professional investment advisers who are active in Central and Eastern Europe has found that Slovakia, Bulgaria, Slovenia, Estonia, and Romania are perceived as the next key markets for loog-term investment and expansion.

The Central and Eastern European Investment 1994 Research Report, recently published by London-based Global Research,

also found the nearly three-fourths of all foreign investient in the region consists of joint ventures while direct acquisitioo remains relativel rare.

Global Reserch's Derek Duggan says: "Lower growth od rising inflation characterize all but a hadful of the 23 Central and Eastern Europeacountries, but the report's findings clearly low how the breakup of economic links a the region and current market reforms hie renewed the considerable commercial oportunities available to companies, investo, and their professional

Among other anases, the 225-page report covers a breakown of current investments in the region at looks into the viahility and profitability f opening offices in various countries.

For further informago, call Global Research at London (44-i) 779-8679.

### **AT&T Offers Propaid Cards** For Phoning Whin the U.S. France has had its tekartes for several

years, but for the first tin, prepaid phone calling cards are now availate in the United States

AT&T, the long-distant phone service giant, is offering the phonolastic at their AT&T Phone Center storeshroughout the United States. The cards can? purchased in credit values ranging from \$99 to \$30.

Unlike European prepaid cds, the U.S. versioo will not be inserted inta slot on the telephone itself. Rather, the der will dial an AT&T operator and read clan identification number printed on the cd. Charges will then be automatically decreed from that card's "account" until theredit has

been used up.

The cards are only usable ithin the States, and domestic calls are prid at a flat rate of 60 cents a minute. Sampkates for international calls are \$2.40 a mute to

Europe, and \$3.00 to Hong Kong.
Other long-distance providers arreportedly readying their own versions of the prepaid card. Besides winning new cusmers, the phone companies have anotherbjective: Making a dent in the billions of ollars lost through fraudulent use of reving credit calling cards each year. For more information on the AT& brepaid card, call (800) 462-1818 in the Used States.

Fleming international Put: 2 Funds Under 'Umbrella'

Fleming International Fund Mail enug-introducing two new funds within his inte-national "umbrella fund." The latest add tions to its stable are an emerging market fund and a European smaller-companies ve

European market in financial services, the funds are at present only being sold in Ireland, Luxembourg and Britain.

For more information on the fu Fleming in Luxembourg at (352) 40.50.40.

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mation by calling International Advisory Group at Nashville (615) 377-2949.

pack, says the association.
"It is particularly encouraging that almost

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Maple Leafs will

probably remember their last game at Chingo Stadium more than the Blackhawks.

With another strong performance from Felix Potvin in goal, the Maple Leafs beat the Blackhawks. hawks, 1-0, Thursday night to win their first-round National Hockey League playoff series in the last hockey game played in the "Mad-house on Madison."

Potvin stopped 27 shots as Toronto closed out the series and the

STANLEY CUP PLAYOFFS 65-year-old hockey arena. The Blackhawks will play in the United Center across the street starting

next season. "Anytime it's a 1-0 game you've got to feel good about yourself." said Potvin, who had three 1-0 shutouts in the series, which the Maple Leafs won by four games to

"I'm happy about the way I played in this series," he said. "Hopefully we'll keep it going next series. I don't want to play 60 games like this, but it's fun. Five of the six games were decided by one goal. It's always like this in the playoffs. You want to be focused

and do your job."
The Maple Leafs advanced to the Western Conference semifinals. Mike Gartner, a late-season addition from the New York Rangers, scored the game's only goal in the first period. The Maple Leafs went on a power play after Chicago was called for having too many men on the ice. Gartner deflected in Dave Ellett's shot from just inside the blue line with 5:11 left in the peri-

od, and that was the only score, Red Wings 7, Sharks 1: In De-troit, the Red Wings' hig guns finally roared to life, pinning down

best record in the conference and

The Red Wings, who had the

the fourth-hest in the league, scored the first five goals.

Sergei Fedorov, Steve Chiasson, Ray Sheppard and Vyacheslav Kozlov scored first-period goals. Steve Yzerman, who missed the first four games with a knee injury, scored in the second. Dino Ciccarelli connected in the second and third, giving him five goals in the series. Ulf Dahlen scored for San Jose,

the three-year-old franchise that reached the playoffs with a losing record. The teams will play the seventh and deciding game Saturday. Canucks 3, Flames 2 (OT): In Vancouver, Trevor Linden scored

at 16:43 of overtime as the Canucks beat the Flames and tied their series at three games each.

The Canucks' victory sent the teams back to Calgary for a deciding seventh game in the Western Con-

ference series on Saturday night. Linden lifted a rebound over Mike Vernon, who was sprawled in goal, after Calgary bench penalty in overtime for too many men on the ice.



The Blackhawks' Gary Suter took a spill under the Maple Leafs' Dimitri Mironov during second-period action at Change Stadium.

# Austria Falls to Russia in World Hockey

BOLZANO, Italy - Austria slowed the high-scoring Russians but lost, 4-1, in the World Ice Hockey Championships on Friday as Quebec Nordiques Andrei Kovalenko and Valery Kamensky each had goals.

In its first two games at the preliminaries.

Russia scored 19 goals in shutting out Italy, 7-0, and routing Britain, 12-3.

The Austrians held Russia scoreless for the first 17:20, until Alexander Smirnov struck. Austria tied it at 16:54 of the second on a power play, but Russia went ahead again at 18:02 on a shot by Edmonton Oiler Ilia Biakine.

Austrian goalie Michael Puschacher turned back 21 shots in the second period alone. Kovalenko and Kamensky added goals in the third period.

Russia and Canada are tied for first in Group A after three rounds. In nearby Canazei, Finland routed Norway.

5-1, to move to second place in Group B. a point behind the United States (3-0). Later Friday, Italy was to play Britain.

Russia has yet to be tested in the preliminary round and doesn't meet a real hockey power until its game with Canada on Monday. Russia's team bears little resemblance to the squad that finished out of the medals at the

Lillehammer Olympics two months ago. But there are only five holdovers from the Olympic squad that finished fourth. In Canazei, left winger Sami Kapanen's twn

goals powered Finland to a rout of Norway. Kapanen, 20, put Finland ahead for good early in the second period and soon made it 4-1 with help from Los Angeles King Jari Kurri following a power play by forward Mika Nieminen.

Norway opened the scoring seven minutes into the first period with a short-handed strike by Ole Dahlstrom, but Saku Koivu equalized on the power play 10 minutes later. Defenseman Erik

In Thursday's late games: In Group A in Bolzano, Canada |3-0) practi-cally assured itself a benth with a 3-2 squeaker over Germany.

Canada's Brendan Shanahan scored a hat trick to back goalie Billy Ranford in a penaltyfilled game,
The St. Louis Blues forward evened the

match up in the first period after Germany scored an early power-play goal. He added two more goals in the second period.

In the third period, Canada played two men down for more than four minutes and Ranford, the Edward Chief property of the following the

the Edmonton Oilers goaltender, held off furi-ous German attacks. Germany made it 3-2 in the 13th minute but was unable to come with the tying goal.

Paul Kariya had two assists to remain the tournament scoring leader with seven points.
In Group B, Olympic champion Sweden hlanked France, 6-0. (AP, Reuters) hienked France, 6-0.

# Dreams and Drugs: Tennessee Player's Rough Road to NFL

By David Nakamura

fulfill every mother's dream. Coetta Garner, mother of four, had invited 300 people to the Bailey's Crossroads Community Center, near her home in Falls Church, Virginia, to watch the National Football League draft on the screen television. Surely, it we not take long to find out when son Charlie, the youngest family, would be selected.

A standout for two secons as a tailback for the Universe of Ten-nessee — and, before far, the Virginia prep player of the fear at Stuart High School in 1989— Charlie Garner had been pigged as a first-round pick But there was something Coefa Garner didn't

Until Charle told her hat day. "I pulled her aside and told her that some things might be said about me on television to prepare be said yourself," Garner saio Fre at Vetcrans Stadium, as he effected on

draft day. And so it was that his mother found out that he to failed an NFL drug test, registing positive for marijuana use, ordy, thereafter, ESPN, televing the draft live, broke the new to the public. Soon, the first roll ended, and The Associated Poss
LONDON — The debate in
Britain over whether to ban
boxing has been renewed by Garner bad not be selected.

to the point when disappointed had to breathe self and carry hard to readjust on the rest of day," Coetta
Garner said. "I 300 people at a
community cent who were going
to be looking daring."

ner went to the Eventually. es, who took him and, 42d pick over hing back chosen, was quickly tem-Philadelphia I in the second all, the sixth The joy he pered when was put on a conference call with porters, who hammered aw questioning him

72. R.Williams 47 00 11. Mu-2. Abdul-Rout 3-12007.51th 2-8 Into 2-7 2-2 6. Pock 1-5 2-4 4. 3. B.Williams 6-6-3-15. Mee 2-50-10-00, Brooks 1-6 1-23. Totols 33-

about his ast until the team's pub-lic relations staff cut short the ques-PHILADELPHIA — The gathering last Sunday was designed to school senior Garner had been jailed on a cocaine possession

put myself in those positions,

and I assume full responsibilities," Garner said as he neared the end of his first tour of the Eagles' headquarters. "But the one instance where they said I had possession of cocaine was truly false. I was standing outside my grandmother's house, which happened to be a drug-infested area, and it was a drug sweep and everybody who was standing out there got locked up."

That ebarge was eventually dropped, although it cost him a night in jail and his family \$2,000 in legal fees. Garner also denies smoking manijuana. He said that on the night before he was tested at the NFL scouring combine in Indi-anapolis, he was at a gathering at a friend's house. While some people were smoking marijuana, Garner

said, he was playing video games. After San Diego State's Marshall Faulk — the consensus No. 1 run-ning back — Garner had been rated among the next batch, which included Texas A & M's Greg Hill, Florida State's William Floyd, Florida's Errict Rhett and Arizona's Chuck Levy. They were all

drafted ahead of him. In line with NFL policy, Lawrence Brown, the doctor in charge of substance abuse drug cases, notified all the teams about Garner, The league would take no other action; it would be up to the teams

to decide. "Teams have different philosophies," said Tom Donahoe, the Pittshurgh Steelers' director of football operations. "Sometimes, if you think a guy might have a character flaw, you back off."

### **SCOREBOARD** Son Francisco Major League Standings AMERICAN LEAGUE Seattle Texas Colliornia NATIONAL LEAGUE PCL .714 .524 .500 .500 .381 Atlanta Mostraal Florida New York SI. Louis Houston Pittsburgh

Thursday's Line Scores

AMERICAN LEAGUE
Bosher 920 802 868-4 2 1
Control 900 105 860-3 9 0
Darwitt Ryon (7), Festor 81, Harris (8), Russell 99 and Berryhill; Van Pebeck, Horsman
(8), Ecterstey (9) and Steinbach, W.—Darwin, 4
1, L.—Van Papet, 0-3, Sv.—Rudsell (8), HRs.—Saston, Cooper (6), Oakland, Aldrete (2).

Missepolu 60 625 626 - 2 12 1
Weamon, Sconlor (4), Llovd (7) and Nilsgor, Matheny (9); Pulida, Tromblev (8), Caslan (8), Gorapazza (9) and Withseck, Parks
(2), W--Wegman, 2-0, L--Pulida, 0-3.

Alvorez, DeLeon (8), Assemmenter (8) and Cartovice; Nobhotz, Barnes (2), Turner (4), Swon (8) and Peno, W—Alvorez, 5-0. —Bornes, 6-1. Sv—Assemmenter (1).

Terrante 606 606 605—6 11 8
Textes 190 606 605—1 4 )
Leifer and Barders's Brown, Henke (9) and Radriguez, W—Brown. 1-4. L—Leifer, 2-1.
Stem-Henke (3).
New Yerk 506 605 606—6 2 2
Seottie 180 605 606—6 18 8
Multipolione, Wickman (5), Gloson (6) and Stanley; Solkeid, T.Davis (7) and Haselman, W—Solkeid, 1-8. L—Multipolione, 2-2.
Stem-T.Davis (1). W—Solkeld, 1-0. L—Multaelland, 2-2.
Sv—T.Davis (11.
Battriare 980 370 900—4 28 8
California 913 ace 671—3 2 8
SFernandez, LeSmith (9) and Tocketti
Dobson, Levis (7). Letterts (9) and CTurner.
W—SFernandez, 1-0. L—Domeon, 1-3. Sv—LeSmith, 11. HR—California, Curtis (11, EDavis (4): Battimore, Hammonds (4).

100 150 000-7 9 1 120 000 05x-0 9 1

Sy-Hermandez 12). HRs--Colorado. Burks (9). Bichette (8), Mello (1). Chlosgo 191 600 180 62-5 10 8 Howston 260 600 600-8 8 1 (11 lamings).

Margon, Piesac I 81. Crim (8), Mivers (111 and Wilkhts, Perent (81: Kills, Edens (9), Mi.Willioms (11) and Euseblo. W--Crim, 1-4. L--Mi.Willioms, 9-2 59--Mers (2), HRs--Chlosgo, Rhodes 2 (6). Houston, Bogwell (5). Cincipanti 063 626 546-19 14 0 Pithsburgh 060 620 536-7 12 1 Horsson, Schourek (7). Corrusca (8) and Doraett; Tomilik, Micell (4), Marsonitio (5), Milnor (6), Taboko (7), Dervey (8) and Goff.

W—Harrian, 1-1. L—Tamlin, 0-1. HRS—Cincin-noti, Larkin 2 (2). Morris (2). Fernandez (5). Pittsburgh, Martin (3).

The Michael Jordan Watch

THURSDAY'S GAMZ: Jorden went (-for-4 THURSDAYS GAME: Jorden from the symbol the current and a wolkin a 94 victory of Hundryllic. He struct out
ance Jorden scored from linst an a double and
handled a base hit and a fly ball in right field.
SEASON TO OATE: Jorden 1315-for-60, balting 200 with nine RBIs, two doubles, five
walks 20 strikeouts and ane error.

Japanese Leagues

Pcl. 447 588 500 471 412 Friday's Results

Priday's Results Dolet 13. Nisson Ham 1 Selbu 15. Kinjetsu 5 Latte 14. Orix 2

A VS COUNTY OF **NBA Playoffs** 

FIRST ROUND THURSDAY'S RESULTS
22 24 19 28-93
31 15 23 19-68

Long 44 1-19, Rico 5-14 2-2 13. Salley 6-11 2-2 14. Show 0-4 0-0 2. Smith 8-154-572. Selkely 5-1 14, Snow Os 906, Smirris 1545-22, Seltery 5-11 2413, Coles 7-103-417, Mirror 1-53-45, Askins 9-1 5-0 G. Tafais 36-80 18-24 93. Marnising 4-132-316, Willins 6-135-617, Konspak 5-10 1-2 11, Augman 5-7 4-4 14, Blarytock 3-15-1-2 9, Ehio 6-77-3-4 15, Whattey 1-2 9-02, Februal 1-42-24, Kenta 3-3-0-04, Lang 9-0-00, Totals 34-64 8-22 is.

3-Point gools--Migml 3-8 (Smith 2-3, Rice 1-3-Point gools—Meard 3-6 (Smith 2-1, Ricy 1-7. Coles 9-1, Shaw 9-1). Attento 2-14 (Bloylock 2-7, Ehle 0-7). Feeled sut—Safloy, Recognids —Mord 54 (Rice 18). Attanto 51 (1978): 162. Asiasts—Marant 13 (Cotos 5). Attento 25 (Bloylock 7). Tetral feels—Moral 22, Allenie 29, Fle

Indiana 29 22 24 23—87 Orlando 26 29 30 14—88 (Indiana led series I-8) McKev 2-111-25, D.Dovis 3-7-0-0-4, Smits 7-17 2-314, Miller 7-18 4-4 24, Yrorkman 3-12 2-2 8, Comer 1-20-0-2, 8, Scott 4-6-3-12, A.Dovis 2-3-4, S. T.

6 8, Thomason 1-2 9-1 2 Mitchell 9-2 2-2 2

Boxer's Death

Revives Debate

the death of a super-bantam-

weight contender 48 hours after

he was pummeled in the ring. The boxer, Bradley Stone, 23,

died Thursday from brain inju-

ries suffered in a super-bantam-

But the government rejected

calls for a boxing ban. Sports

Minister Iain Sproat said Fri-

day: "As there are proper

medical safeguards, anybody

is entitled to pursue the sport that they wish."

weight title fight Toesday.

Flenting 2-3 0-9 4, Totals 34-47 17-22 89.

Krystkowick 2-5 0-0 4, D.Scott 5-13 4-4 15.

O'Neci 11-20 2-4 24, Anderson 4-14 2-3 12.

Hardsowgy 4-113-412, Rolline 2-30-94, Skites 1-2
0-0 2, Royal 4-9-6 14, Bowle 0-0-0 0, Totals 2-1
47 17-24 82.

3-Point 900(s--indiana 4-11 18.Scott) 2-2.

Hallier 2-7, McKey 0-1, Workman 0-1(, Orlondo 5-1/4, Askites 0-1), Fouled sell-Norvey 1-2, O.Scott 1-4.

Skites 0-1, Fouled sell-Norvey 1-2, O.Scott 1-4.

Sast Antonio Chambers 0-21, 5on Anionio 2-7 (Del Nes 2). Pouted est—None. Rebeund (Motone 10). San Antonio S2 (R Assists—Utah 19 (Stockton 6), San

(Robinson 7). Total foots--- Utah 21, 5an / nio 25. Techniculs—Rodmon. Stoon Russell. Floorant for

44 14, Schrempf 44 13-14 21, Cope 24 5-79, Poyton 9-152-4 20, AtcAhli-Per kins 24 3-5 9, Askew 24 5-8 1), 3 13, Schoffler 1-1 9-2, E. Johnson Gop 0-8 0-2 8, Tatals 34-76 37-39 106. oats-Denver (-15) R.Williams 3-4, Abdul-Rouf 1-3, Mee 1-4, Brooks 0-

p. insu-1, asstrie 1-4 (McAillen) 1-1, D-1. Povino 0-1, 0 [ii] 0-1). Fosiad filliams. Rebougds--Denver 42 (Mu-). Scotife 65 ) Perkins, Kashe 93, As-sanver 19 (Pock 4), Scotife 26 (Povino fouls--Denver 22, Scotife 26 (Povino fouls--Denver 22, Scotife 22 Tachat-DCKEY

iso 9 8 8-0 pt Period -1. Toronto, Gortner 1 (Ellett, 1001), 14:65 (50). Penoitles—Clork, Torwing), 3:66 (Cierk Tor (stoshing), 5:25) on bench served by Armete (for 100).

Tor (hooking), 1361 Murphy, Chi ) Interference), 7:40,

12.

Length .

LINES

Jan. Bus.

\*Record

Mar. G

2

Third Period ming), 18:03; Murphy. Chi (chare Tor (Toushing), 38:83; Murphy, Cni (Cherg-ing), 18:03.
Shots on poel—Termito 4-0-48. Chicago 13-11-3-27; pouse-play opportunities—Teri-cinie J of 2; Chicago d of 3; poelide—Termito, Pointie 4-2 (27 shots-27 poves), Chicago, Bel-

four, 24 (18-17). Colgary | 1 0 1 0-2 Vancetiver | 1 1 0 1-3 First Period-1, Vancouver, Olduck 1) Un-

den), 8:38. 2. Cologry, Roberts 2 (Fleury, Zo-lopski), 19:89 (pp), Penalties-Walz, Cal Lirippino), 2:34: Romina, Von (Irippino).

tirispino), 2:34; Rennina, Von (trippino), 3:34; Kisia, Cal Islashira), 14:57; Momese, Von (hish-sticking), 19:52.

Becasa Perios—3, Vancouver, Charben-seau I (Courtnail, Lafayette),7:10, Penalites—Mochanis, Col (hooking), 7:30; Romins, Von (hooking), 9:44; Brown, Von (frippina), 14:51; Macirals, Col Interpina(, 18:3), Third Perios—4, Calgory Wolz 3 (Zalopaki, Macinalis), 3:24. Penalites—Courtnail, Von (Booking), 4:15; Kecataer, Col (Interference), 4:56; Hedikan, Von (booking), 5:35; Yowney, Cal (Interference), 4:25; Kirla, Col Jerus-becking), 1:2:5.

Overtine—5, Vancouver, Lindon 4 (Lumme-Bure), 16:43 (pp.). Penality—Calgory beach served by Walz (too many ment, 15:25.

stret, 19:30 (Pp), Frenchy—Century Century served by Walz (to a many ment, 15:25. Shots on soal—Colgary 5-8-10-1—32. Van-couver 10-7-2-4—25; power-stay opportuna-fies—Colgary I of 8; Vancouver 1 of 6; sealles— Colgary, Vernen, 3-3 (25 shots-22 sayes). Vancouver, McLean, 3-3 (32-30).

### **DENNIS THE MENACE**



RUFF'S BARK IS JUST A SOUND BITE.

JUNELE, THE GAPAN HOCKE CHERAG UNMIFF was a 0000-00 AVIENDE CHASM ROUSE NESTLE GRISLY DOONESBURY What carehognece

> For investment

information Read the MONEY REPORT every Salurday

in tha IHT



BLONDIE

BEETLE BAILEY

YOU'RE JUST MAP

BECAUSE I HAVE

A FRIEND IN THE

CARPENTER SHOP

THAT'S

Caro

I HAD NO IDEA THAT

NOWENS CISTRETIES NEVE SUCH A SIS DEAL! I

FEEL, LIKE, TOTALLY SUPPLIERS



I'M THE MANAGER, AND YOU'RE THE WORTHLESS PLAYER WHO IS GOOD FOR NOTHING EXCEPT SITTING ON THE BENCH!

tennis rackets and

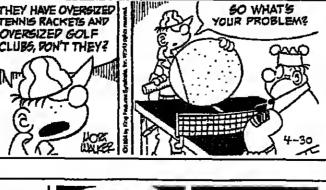
OVERSIZED GOLF

CLUBS, PON'T THEY?













CALVIN AND HOBBES









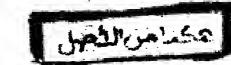












# **SPORTS**

# For Israeli Sports, Inspiration Comes From Connecticut

By Ian Thomsen I-ternational Herald Tribune

By Ian Thomsen

TEL AVIV — Across the front of a good many T-shirts in Israel, there is a popular saying It goes: "University of Connecticut."

Now, it has to be said that these are among the least-sexy words in the swollen American univese of sports marketing. Outside of New England, Americans pay little mind to the University of Connecticut. The phrase is a mouthful, irstly, and secondly, probably half of all Americans cannot spell Connecticut.

But in this distant sliver of the world, the University of Connecticut is as holy among Israelis as Notre Dame University is to American catholics. In the last five years, three young tall Israelis have become basketball stars at the iniversity of Connecticut. To say University of Connecticut to the sports-minded Israeli is to convince him or her that anything is posible.

"Now they have a dream here in Israe, that one of their players will play in the NBA someday," said the University of Connecticut coach, Jim Calhoun, during the European basketball Final Four earlier this month. "If you think about it, Boston College and Seton Hall have each had good players from Israel lavely. Our school has won two of the last five Big East championships using hig kids from Israel identifies potential athletes as early as the age of 10, sending them to special sports schools, but there is only room for the best 75.

Israel identifies potential athletes as early as the age of 10, sending them to special sports schools, but there is only room for the best 75 to live at the national training center near Natanya. With a population of 4.5 million, Israel is larger than Norway, which has become a

power in winter sports and soccer.

But the idea of an Israeli sports army winning championsbips overseas — and embellishing the country's reputation as an international player - is limited by the needs of the real army at home.

Military service is mandatory for most Israeli men and women at 18, the age when most athletes are maturing into champions, including the Americans on Calhoun's team. The army allows 125 of the best male athletes to continue athletic training.

The military service comes at a very critical age for our athletes, taking three years from the boys and two years from the girls," said Micha Goldman, deputy sports minister. "Eva with the special arrangement allowing our most talented sportsmen to go out for practice and competition, we still have some difficulties with the army that influences the athletes' development."

Forty-five women athletes were granted military dispensations this year. "Actually, there are no limits on the w-men," said Islah Kramel, assistant to Goldman. "If we had some more very, very talented women, they could go out from the army. We have a lot of women going into the army right now, and they're limited in the jobs

It was not until 1992 that Israel earned its first llympic medal, when Shay Oren Smadga won a bronze in judo, of al things. "That was a big day," Kramel said. "After that, thousards of children began taking lessons in judo."

Now judo probably ranks hehind soccer, basketbil and tennis in popularity. Among those, only soccer was popularhere 30 years

"We have to remember that other small countries have traditions for certain sports, and they've been playing those spors for a long time," said Goldman. "Because Israel is a new country, 1e competi tion can be very hard for our athletes."

It is a country of immigrants. In the short term, theprocess of assimilating waves of immigrants seems to distract the everyment from the comparatively trivial needs of the sports movement. Once the Russian culture has settled in Israel, however, the spets movement can only benefit.

The NBA commissioner, David Stern, met with the former Soviet dissident Natan Sharansky during an award ceremony in Irusalem for ex-Soviet athletes now living in Israel. "Sharansky tolome that he was taken with the fact that sports is such an enormous veicle for integration and social absorption, more than he had anticipted."

Stern was in Israel for the European Final Four. Since 197 when Maccabi Tel Aviv won the first of its two European Champions Cups, basketball has grown to become a unique form of interational expression for Israel - one that has not been embraced withe surrounding Arab states.

The role of Connecticut in that growth was nothing more tha an accident, Calhoun said. He had met Israeli coaches at internatural clinics in 1985 and 1988, which led to his invitation the following year to a elinie in Israel. At that time be beard of a player nated Nadav Henefeld.

The recruitment began after Henefeld, who was searching fo a U.S. college, called Calhoun. Henefeld led Connecticut to the hg East Conference championship in 1990, making him a star in Isral—so big, thitimately, that he felt he had no choice but to return home and play for Maccabi Tel Aviv.

He was followed to Connecticut by Gilard Katz in 1990, who was followed by forward Doron Schaffer, a bero on last season's championship team. In a sense, their successes underline the tensions between Israel's domestie and international agendas. Henefeld's subtle talents seem to bave withered in Israel; had he been able to stay in America, he might be playing in the NBA and bringing more glory to Israel. For his part, Calhoun finds himself having to negotiate periodic and strenuous releases for his Israeli players to represent their national leams.

But the coach isn't complaining. Every Connecticut bome game is televised three times on the Israel sports network. The country invited him to give more clinics during the Final Four, which allowed him the chance to recruit a 6-foot, 9-incb (2.05-meter) forward

straight out of the military.

"These kids are older than the college players in the States,"
Calhoun said. "We get them after they've come out of the military service, and they know what they want."

### SIDELINES

### Barrichello Hurt on San Marino Track

IMOLA, Italy (AP) - Rubens Barrichello of Brazil suffered a concussion, a swollen nose and lacerations to the mouth when he spun off the track and crashed at high speed during Friday's qualifying session for the Grand Prix of San Marino.

Barrichello's Jordan-Hart car went off at the Variante Bassa curve, became airborne after hitting the track edge and crashed into the protective barriers. The car flipped over three times. Later, Ayrton Senna set a lap record and beat out Michael Schumaeher

for the provisional pole position.

### Bowe Slates Busy Return to the Ring WASHINGTON (Reuters) - Riddick Bowe will end seven months of

washing ion (ketters) — kindick bowe will end seven months of inaction with a heeric summer schedule of three fights in three months, starting with a June 11 bout against Buster Mathis, Jr., his bandlers said. Bowe lost his World Boxing Association and International Boxing Federation heavyweight titles in a rematch with Evander Holyfield last November and bas not fought since. Mathis, 13-0, is the son of former heavyweight contender Buster

Mathis. The 10-round bout will be staged at Caesars Palace in Las Vegas.

Other fights will take place on July 15 and Aug. 13 against as yet

### The NFL Says Good-Bye to Two Byes

NEW YORK (AP) — The National Football League has said bye-bye to two byes. The league ended its one-year experiment with giving teams two weeks off during the regular season, returning to a 16-game schedule

over 17 weeks.

And unlike last season, there will be two weeks off, not one, between the conference championship games and the Super Bowl, the NFL announced in releasing its 1994 schedule.

The Dallas Condense and next recesh Barry Springer begin the same hid.

The Dallas Cowboys and new coach Barry Switzer begin the team's bid for an unprecedented third straight Super Bowl title on Sunday, Sept. 4, when they visit Pittshurgh.

### For the Record

Markus Wasmeier, the 30-year-old German skier who won gold medals in the giant slalour and super giant slalom in the 1994 Olympics, has announced his retirement from the sport.

Marcel Bernard, the French Open champion in 1946, died Friday at age 76 in Paris after suffering a heart attack earlier this month, the French tennis federation announced.



The Sonics' Detief Schrempf trying to get past the Nuggets' Brian Williams in their Seattle opener.

and the last 13 seconds we left the shooter open and be hit a big shot," said Shaquille O'Neal, who had 24

# Pacers Overcome Magic, Heat Hold Off the Hawks

The Associated Press

If you believe in magic, try the Indiana Pacers' last possession as

Magic, you're having a hard time believing they didn't win the first playoff game of their five-year exis-

left, the Pacers took three shots and grabbed three offensive rebounds before Byron Scott swished a 3-pointer with 2.0 seconds to go, gri-ing Indiana an 89-88 victory in the

Scott, whose 142 playoffs games was more than all of his Indiana teammates combined going into the series, was determined to win the game with a 3-pointer.

"In my mind, I wanted it to be a 3 or nothing," said Scott, who played on three championship teams for the Los Angeles Lakers. "It felt great, I knew it was in when it left my bands. I just ran back with my bands up, because I knew it was in.

Before Scott's game-winner, Rik Smits missed a 12-footer, Derrick McKev couldn't get a tip to fall and Reggie Miller misfired on a 3pointer.

"It's very disheartening because we know we should bave won." Orlando's Anfernee Hardaway said. "We'll have to look at the films and find out what happened."

"We played the whole game well

points and 19 rebounds in Orlando's first playoff game.

Miller led Indiana, which has lost in the first round of the playoffs the past four seasons, with 24 evidence that it exists.

If you believe in the Orlando points. The Pacers trailed by as many as

المكالانمازي

17 points before rallying to the it 86-86 on Miller's 3-pointer with 42 seconds to go. O'Neal went high to

Willis led the Hawks with 17 points and 16 rebounds.

Spurs 106, Jazz 89: In San Anto lence Thursday night.
Trailing 83-86 with 25 seconds tap in Donald Royal's miss, giving Orlando a 2 point lead, but the Magic's inability to keep the Pacers off the offensive boards cost them

series opener in Orlando, Florida. Heat 93, Hawks 88: In Atlanta, Miami joined Indiana with a big NBA PLAYOFFS

road victory, holding the Hawks a field goal in the final seven minutes and erasing a 77-69 deficit in the foundation of the final seven minutes are remaining for arguing an offensive foundation.

ing, then he added two free throws 20 seconds later to stretch the lead to 92-87.

in good shape to split in Atlanta, but honestly we came in expecting to win two."

Miami, swept by Chicago in 1992 in the team's only other postseason appearance, overcame the Hawks' homecourt advantage in one game. Atlanta won its final seven home games in the regular season and posted a 36-5 record at The Omni going into the playoffs.

guess the biggest the franchise has had," Rice said. "We win our first playoff game. We finally win in this building. I think we put a lot of

pressure on Atlanta. Steve Smith scored 22 points and Bimbo Coles 17 for Miami. Kevin Willis led the Hawks with 17 points

no, the Spurs, who lost all five of its games to Utah during the sea-son, won the sixth meeting as David Robinson scored 25 points and

Terry Cummings 18. The Spurs opened a 24-point lead five minutes into the third quarter and held on.

Karl Malone had 36 points and 10 rebounds for Utah. Jazz coach

Glen Rice's tip-in gave Miami a Seattle, Dettef Schrempi scored 21 90-87 lead with 32 seconds remaining, then he added two feet and Gary Payton 20 as Seattle, Dettef Schrempi scored 21 points and Dettef Schrempi scored 21 po tle had an easy time with Denver,

opening a 25-point halftime and coasting from there to the end. "I'd say it the biggest tip I ever got," Rice said. "People say we're offs after a four-year absence, lost their 10th straight playoff game. Shawn Kemp had 16 points, nine rebounds, six assists and two

blocked shots for Seattle, while Brian Williams led Denver with 15 points. Dikembe Mutombo bad 12

points, nine rebounds and four blocked shots for the Nuggets. "We played aggressively, re-bounded the hall well and did all the little things, too." Kemp said. "If we continue to do that, we'll be

World Cup,

# Pirates' Pitching Staff Caves In as Reds Romp, 19-7

The Pirates are 7-3 at home, but bave been outscored 45-

"The one thing we do well is catch the hall, but you can't

Larkin hadn't homered all year and was hitting only .176

before he followed winning pitcher Erik Hanson's first two

catch it if it's going out of the park," Leyland said.
Hal Morris drove in six runs with a two-run double and a
grand slam, Tony Fernandez hit his fourth homer in as many

games and Bret Boone was 3-for-4 with a pair of RBIs.

The Dodgers won 19-2 on April 17.

12 in the three defeats.

The Atlanta Braves' equipment truck was already unloading gear at Three Rivers Stadium, and the Cincinnati-Pittsburgh game wasn't even over yet. Evidently, opposing hitters just can't wait to get at the

Pirates' pitching staff. The Reds were the latest team to wreck the Pirates

pitchers' egos and earned run averages, working over six

### NL ROUNDUP

pitchers for four homers, 16 hits and a 19-7 roup Thursday. their eighth victory in 10 games.

"We were very aggressive and got a lot of good pitches to hit," said Barry Larkin, who celebrated his 30th hirthday with a pair of two-run homers.

Good pitches? Some teams don't see as many good pitches in batting practice as they do off a Pirates' staff that has three relievers with four-digit ERAs — Dan Miceli (18.00). Jeff Tabaka (18.00) and Blas Minor (10.24).

The Pirates' bullpen gave up 16 of the 19 runs to jump its out-of-sight ERA to 6.94.

manager Jun Leyland said. "That wasn't very pretty. That The Reds' outhurst was their biggest in more than 800

for four years during spring train-ing, bounced back from five terri-

Brown came into the game hav-ing allowed 58 hits and 36 runs,

including seven homers, in his pre-

**AL ROUNDUP** 

vious 19 innings. The Blue Jays had scored 10 runs in 3% innings agains him just nine days before.

Since his last outing, a no-decision even though he gave up seven tans in 71/2 innings, Brown visited

the same sports psychologist he consulted in 1992. The visit seemed

to work for Brown, who picked up

the win depite allowing 10 hits in

Brown (1-4) and Tom Henke

combined w hand the Blue Jays

their first shutout since June 30, a

span of 103 mmes. Henke gave up

in the ninth, sen got out of the jam

This could be the turning point of our season. Texas manager Ke-

vin Kennedy sid. "Having Kevin back gives ever body confidence."

Brown, who is expected to be-come a free agent after the season, also altered his di-day routine.

"I worked 30-6 minutes a cou-

ple of days on the side, saw a cou-

ple things in som old film and tried to make som adjustments,"

be said. "I don't know if that's the

only reason, but it's certainly got to

leadoff double to Carlos Delgado

cight innings.

for his third see.

be part of it?

day in Arlington, Texas.

Rangers Down Jays,

Red Sox Beat the A's

ble pitching starts this season with refired 16 of the next 17 Rangers, his first victory, a 1-0 triumph over the Toronto Blue Jays, on Thurs-

It just shows you how important pitching is." Pirates

first. Chris James doubled, moved

Toronto starter Al Leiter (2-1)

strikeouts and gave up only four

land, California, Scott Cooper ho-

mered and doubled to drive in all of

Boston's runs as the A's lost their 10th straight, their longest losing

streak since dropping 11 straight from June 8-18, 1978.

seven hits and struck out seven in

6% innings. Jeff Russell walked the bases loaded in the ninth, then struck out Mark McGwire for his

eighth save.

Brewers.

Danny Darwin (4-1) allowed

Brewers 12, Twins 2: In Minne-

apolis, John Jaha hit two bome runs and Turner Ward bomered

and drove in three runs for the

The Brewers, who were no-hit by

Red Sox 4, Athletics 1: In Oak-

five hits and three runs in 315 innings. "I told Barry, 'Hey, way to celebrate,' " said Reds manager Davey Johnson, whose team is off to its best start (14-6) since the 1990 world champion Reds opened 18-5. The Reds

were only 7-13 last year. Larkin was just I-for-4 Wednesday in a 3-1 Reds' loss to

Pittsburgh, prompting a late-night session with his hitting score oo a wild pitch. coach—his wife, Lisa.

Karl (Tuffy) Rhode oach—his wife, Lisa.

Karl (Tuffy) Rhodes hit a pair of homers as the Cubs
Lisa's advice: Go after the ball, be more aggressive, don't stopped a three-game losing streak.

games —or since a 19-6 romp in Montreal on May 1, 1989 — can't be happy with only one game, because I'm still hitting bul it wasn't even the higgest rout in Pittsburgh this month. (.197), but I hope it's the start of things to come." The Pirates must be wondering if the worst is yet to come with the NL East-leading Braves in town for a three-game

weekend series. Marlins 8, Rockies 7: In Miami, Andres Galarraga tied an NL record with his 29th RBI in April and Ellis Burks, Dante Bichette and Roberto Mejia homered for Colorado, but the

Marlins railied for five runs in the eighth inning.

Greg Harris had retired 16 consecutive Marlins when the eighth inning began with Colorado ahead 7-3. Alex Arias's bases-loaded RBI single and center fielder Burks's run-

major-league hits with a pair of two-run homers. The first scoring error ended the rally, came off losing pitcher Randy Tomlin (0-1), who gave up

Burks, who began the gam Burks, who began the game as the NL's leading hitter, went 2-for-4 and raised his average to .440. Bichette hit his eighth homer and drove in four runs.

Cubs 5, Astros 3: April hasn't been much different than October for Astros reliever Mitch (Wild Thing) Williams, who put the go-ahead run on base in the 11th inning in Houston with a two-out walk and allowed another run to

watch so many pitches, go back to being the attack hitter you were while hitting over 300 for the last five seasons.

• Atlanta and St. Louis were rained out for the second straight day and now must play a six-pame series July 21-24. ere while hitting over 300 for the last five seasons.

\*I haven't driven the ball like this all year," Larkin said. "I at Busch Stadium.

# Kevin Brown, who rejected the to third on Will Clark's grounder Texas Rangers' offer of \$20 million and scored on Jose Canseco's sin-

The Rangers' Manuel Lee sailed over the Jays' Ed Sprague to turn a double play in Arlington, Texas.

Kevin Appier (2-2) gave up Cecil Fielder's homer in the third.

Ward's RBI double.

Greg Vaughn and Mait Nieske added homers for the Brewers. Royals 13, Tigers 4: In Kansas City, Chad Kreuter and Travis Fryman committed consecutive errors in the fourth inning, leading to four unearned Detroit runs.

Kreuter, the catcher, dropped Bob Hamelin's pop foul in the Sec-ood and Hamelin singled Fryman misplayed Gary Gaetti's hard grounder to third for another error. Felix Jose, Jose Lind, Vince Coleman and Brian McRae then drove Texas scoted its lese run in the in runs.

the Twins' Scott Erickson on Wednesday, ended a 20-inning scoreless drought with a run off Carlos Pulido (0-3) in the third on Tim Belcher (0-4] remained win-less in five starts, allowing 10 runs —five earned — and 10 hits in four AL victory and Lee Smith picked White Sox 5, Indians 3: In Cleve-land, Wilson Alvarez (5-0) won hits 12th consecutive decision to match

> Mariners 6, Yankees 0: In Scattle, rookies Roger Salkeld and Tim Davis combined oo a three-hitter

and Tino Martinez bad three RBIs. Salkeld (1-0) allowed two hits in 6% innings for his first majorleague victory. Davis finished with nnings of one-hit relief.

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up his 11th save.
Fernandez (1-0), who signed with the Orioles as a free agent in

November, struck out five and walked two before yielding a one-out homer to Chad Curtis in the Smith came on and got the final

two outs for his 11th save in as many opportunities to become the first pitcher in major-league history to save 11 of his team's first 21 Orioles 4, Angels 2: In Anaheim,

Jim Kaat's string in 1974-75 for the longest winning streak by a White Sox left-hander.

Robin Ventura drove in four runs with a pair of singles for the White Sox, who won their 13th ne to match the franchise record for April wins set last year.

Rookie Manny Ramirez drove in all three Cleveland runs with a tworun home run, his sixth, and an

### With Suds Compiled by Our Stuff From Dispatches NEW YORK — Beer is likely to be sold inside stadi-

ums during World Cup soccer matches across the United States this summer. World Cup chairman Alan Rothenberg said that an alco-

hol sales policy was likely next week and he expected most venues would allow the public to huy beer during matches. "All we can do is make our recommendation, which will not call for an alcohol ban," he

said, "We don't believe that's necessary or appropriate."
"I think what we're going to

place after halftime," he said. The subject caused a furor earlier this year when Rothenberg sent a letter to the nine venues recommending they ban the sale and consumption of alcobol before and during matches.

 Soccer fans outside the United States will have to wait two days later than members of the U.S. public to purchase individual game tickets for the 1994 World Cup under a plan

u.S. fans can buy tickets with credit cards starting at 1400 GMT Sunday on a tollfree number, with a limit of 10 tickets for any match. International patrons may purchase tickets starting Tuesday by dialing (213) 365-6300 in the United States.

Officials said 65 percent of the 3.5 million tickets available for the World Cup were for U.S. customers. (Reuters, AFP)

### **Favorite Skips** 2.000 Guineas

Compiled by Our Staff From Dispatches NEWMARKET, England -

Trainer Peter Chapple-Hyam on Friday pulled the 2,000 Guineas favorite, Turtle Island, out of Satur-day's first colts' classic of the season. The last-minute decision,

blamed on the last-drying ground at the British racing headquarters here, deprived owner Robert Sang-ster of the chance to complete a famous double after Las Meninas's 1,000 Guineas victory Thursday.

With the old favorite gone, bookmaker Ladbrokes' odds on joekey Michael Kimane and King's Theatre improved from 9-2 to 6-1 for the one-mile, £150,000 \$225,000) race for 3-year-olds. Colonel Collins, also owned by Sangster and ridden by John Reid, went from 8-1 to 6-1.

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M IAMI - Today's consumer topic is: How to resolve a dispute with a large company. If you're a typical consumer defined as a consumer whose many consists mainly of offers for denit cards that he or she aheady the chaines are stronger or later four regoing to make a dispute with a large samplary. Tour regoing to call the company may samplary to prope in a dispute with a large samplary may small with people in a dispute with a large samplary with small people in a dispute with a large with the constant within a friendly name stories. These people hate were

people hate you.

Licon in mean they hate you PERSONALLY They hate the public in general because the public is forever calling them up to complain.

Isknow whereof I speak. I used to e - I am not proud of this - a newspaper editor. This was at a paper in West Chester, Pennsylva-nia, called — I am not proud of this either — the Daily Local News. We came out daily, and we specialized in local news. For example, if Richard M. Nixon resigned the presidence dency, we'd send reporters out to the shopping mall to badger ran-domly selected shoppers into having an opinion about this, and our big headline would be "LOCAL RESIDENTS REACT TO NIX-ON RESIGNATION." This is besically how we handled all news ("LOCAL RESIDENTS REACT TO DISCOVERY THAT CLAMS MATE FOR LIFE").

So one spring day I made the editorial decision to put a photograph of some local ducks on the front page. At least I thought they were ducks, and that's what I called them in the caption. But it turned out that they were geese. I learned this when a WHOLE lot of irate members of the pubbe called to tell me so. They never called about, say, the quality of the schools, but they were RABID about the duck

I tried explaining to the callers that, hey, basically a goose is just a big duck, but this did not placate them. Some of them demanded that we publish a correction (for whom? The geese?), and by the end of the day I was convinced that the public

consisted entirely of raging idiots.
This is what people who answer
the phone at, for example, the electric company, go through every day.

I don't mean that they get calls about incorrectly captioned goose

graphs, although this would resurptise me. I mean that they get endless stream of calls from people who are furious that their electricity got turned off just because they failed to pay their bill for 297 consecutive months, or people ask-ing questions like is it O. K. to operate a microwave oven in the bath-

So let's say that you have a genuine problem with your electric bill. The people in "Customer Service" have no way of knowing that you're an intelligent, rational person. They're going to lump you in with the whining non-rockel-scientist public. As far as they're concerned, the relevant facts, in any dispute

between you and them, are these: I. They have a bunch of electric-

2. You need it. 3. So shut up.

This is why, more and more, the even talk to you. They prefer to let you interface with the convenient Automated Answering System until such time as you die of old age !"If your FIRST name has more than eight letters, and your LAST name begins with H through L press 251 NOW. If your first name has FEW-ER than eight letters, and your last name contains at least two E's, press 252 NOW. If your . . .").

So is there any way that you, the lowly consumer, can gain the seri-ous attention of a large and power-ful business? I am pleased to report that there IS a way. According to an Associated Press news report from Russia, an electric company got into a billing dispute with a customer and cut off the customer's electricity. This customer, how-ever, happened to be a Russian army arsenal. So the commander ordered a tank to drive over to the electric company's office and aim its gun at the windows. The elec-

tricity was turned right back on. Perhaps you are thinking: "But a tank costs several million dollars, not including floor mats. I don't have that kind of money." Don't be silly. You're a consumer,

right? You have credit cards, right? Perhaps you are thinking: "Yes, but how am I going to pay the credit card company?"

Don't be silly. You have a tank,

Knight-Ridder Newspapers

# Lyle Lovett: Visitor From Country Music

PARIS — As anyone south of Ultima Thule must surely know, Robert Altman is shooting a film in Paris called "Pret-à-Porter" which centers on the fashion trade and stars almost everyone including - in a bit of typecasting a news-

hen can only approve — Julia Roberts
and Kim Brunger as are journalists.

Lyte Lovett plays a Texas cowboy boot
manufacturer, which also figures since he comes from Texas and usually wears cowboy boots. "I know my way around boots and can talk about boots, that's pretty much all I have to do," Lovett said. Two

### MARY BLUME

pairs, one brown and one black, stood neatly in his Paris suite, toes pointed skyward, although in deference to his Rei Kawakubo suit be was wearing black lace-ups buffed to a Marine Corps gloss. In his first film, Altman's "The Player,"

Lovett was the narrow-eyed, thin-lipped mystery man who shadows Tim Robbins: more a presence than a character. "Short Cuts" showed that he can be a powerful actor as well. He played the hard-bitten overworked baker who harasses the parents who failed to fetch their son's birthday cake, unaware that the boy has died in an accident. It is a performance shaded with class resentment and intense fury that suddenly shifts to a moment of redemp-tion—the only one in the film—in which, having learned the truth, he offers the stricken parents warm bread and a chair.

In "Pret-a-Porter," his third Aliman film, Lovett pals around with Lauren Bacall, pushes the plot forward, wears his own boots and has his hair, which looks as if it grows on richly arable land, reined in, in his own words, by the barber every few days. Days off, he does his real work, which is

writing songs. If in films he seems an ob-scurely fascinating Altman eccentric, be is by trade an extremely popular singer who started appearing in public in 1976, at 18. Altman's granddaughter took him to hear Lovett in Los Angeles and he has been a fan ever since. Julia Roberts, whom Lovett married last June in a surprise ceremony in Indiana, where Lovett had a gig, met him not on the set of "The Player" as is commonly supposed, but after she told mu-

tual friends that she had all his records. His

next one comes out in August and will probably be called "I Love Everybody." Does he? "No" he says firmly, "Sometimes we say just the opposite of what we mean." For all his laid-back niceness and his habit of punctuating sentences with "Well, I'll be!" Lovett has written songs filled, in the words of Rolling Stone, with wicked intelligence and absurdity and wit.



Robert Altman and Lyle Lovett, during the shooting of "Prêt-à-Porte" in Paris.

He has also been described as a great miniaturist, sensitive, humorous, as a cult figure and as a cross-demographic performer. The label he started with was country singer and it is one be likes be-cause, he says, you are part of a big club when you play country music.

"I think part of its appeal is the value system that country music represents. And maybe now that this way of life is dimin-ishing people are looking for it."

Country music is often the music of the dislocated and dispossessed, of a harsh life modestly lived. "The upside is we don't have a lot of money but we're happy, we're all the same. It really does represent the idea that everyone's the same, that nobody's better than anyone else, this voice I'm hearing on the radio, he's just like me, be could be my next-door neighbor. That's what it represents."

It is potent in part because what it represents no longer exists, just as there is little country left for country music to sing about. In a way it expresses the last of the American dream and, Lovett says, has never been more popular. Country singers, he adds, display the last vestiges of com-

"After their shows they will sit at a table and sign autographs or stand outside their bus and sign something for everyone who's lined up there. That doesn't happen in the world of rock 'n' roll - you're on the bus and you're out of there."

Hollywood's biggest female star Lovett In addition to traditional country singers,

Lovett has listed as influences Randy Newman and Tom Waits. He grew upon farmland outside Houston that was stilled by his mother's family, German infinigrants who came there in 1840. His inbringing was a combination of farm and cay life, of Hank Williams on the radio and his parents' records of Benny Goodman, Vai King Cole and Ray Charles. His parents both worked for Exxon in Houston and tose mornings at five to beat the committer rush. "I really believe that I was able to have the choices that I've had in my life, the ability to do what I want to do, because they lived their lives doing things they had

ability to do what I want to do, because they lived their lives doing things they had to do. Because of the kinds of life they had, they provided me with the opportunity to have choices they didn't have themselves."

He started guitar lessons in grade school and at Texas A&M majored in journalism. Although he is rarely there because of his and his wife's schedules, home is the farmhouse his grandparents built outside. Houston in 1911—"the last couple of miles of road to your house, there's not another road that looks like that."

His career has been steadily successful

His career has been steadily successful since he made his first record in 1986 although he says that anyone in the entertainment business is used to rejection. "Gosh, for every success you have I think you have twice as many rejections, but you have to follow the path that avails itself. A lot of it is bumping into walls before you finally open doors."

With Altman's films and his marriage to

has taken on new dimensions as the mi a's pet real person, "a post-sensitive 3 type," says a recent Esquire cover. Thompson listed him as someou s. Thompson listed him as some of activities what it was a note of encouragement, that's what it was, he accorded at a thrill—and in Carrie Fisher's latest novel the sour Hollywood heroine farasizes about the nice hometown girl he boyfrend is probably going to fall fer. "They both love Lyle Lovett, anything smothered in grits, and going to word, out-of-be-way museums on rainy afternoons."

He is not moved by his new states. "One

museums on rainy atternoons."

He is not moved by his new status. "One of my philosophies of life is if things are going well, don't think about it to much. If somebody wants you, don't sk them why. Just go and do it."

People do want him for makes these days and he says he takes merings and reads scripts. He thinks Altmans sensibility has probably belped histnusic and music is what he wants to deall that he really teek he can do. really feels he can do.

really feels he can do.

"I'm neither a good enough inger not a good enough musician to least singer in somebody's band or a guiter player in somebody's hand. So I have to sing my own songs, I have to write ay own songs.

"The main thing I wanta do is be able to write a good song, that he main thing I want to do. And to do whatever I'm doing well. If Robert Alum puts me in a movie I want to pull my light, I want to be believable. But what the layer that to be believable. But what the layer had been most of the time for write a good story and write a good ong."

### PEOPLE

Amy Fisher Tops Nixon

In Autograph Auction

A letter from Amy Fisher made more at a New York autograph auction than a business card signed by Richard Nixon. Fisher's letter. described as "a love letter," was written to a woman with whom the teenager was imprisoned after she shot Mary Jo Buttafaoco, her loyer's wife, it sold for \$550. The Nixon card from the early 1980s sold for \$480. The status of the presi- 6 dency was upheld by Abraham Lincola, whose signature on a shipping document tetched \$11,000.

At the Long Wharf Theater in New Javen, Connecticut, Judy Geest, who plays a distraught wifein Brian Friel's "Faith Heat-er was in the midst of a mon-tique, chain-smoking as called for the scoret when a mon stood or the script, when a man stood up n the audience and approached the stage. "I could see him coming purposefully toward me," Geeson said later. "And he said: This is disgraceful. You're going to kill your-self the amount you smoke." Audience members urged the antismoker to sit down and shut up. Instead, he pointed out that the theater is a nonsmoking venue, issued a warning to Geeson about cancer and left. The show went on although as Geeson said. "The atmosphere had totally been changed, naturally." The theater then put up a notice explaining that the actors smoke onstage, but also cut back smoking in the play. "In the script, it says she lights them butt end to butt end." Geeson said. "But it's fine. I just drink more." In real life. Geeson quit smoking four months ago. The cigarettes she puffs on during the play are tobac-coless. Herbal. Nonaddictive

The Barcelona-born pianist Ali-cia de Larrocha was awarded one of Spain's Prince of Asturias prizes Friday for her work in the arts. The awards carry a cash prize of 5 million pesetas (\$36,000) and a sculpture by the Spanish artist Joan Miró. Born in 1923, the pianist began concertizing in 1940 and made her first tour of the United States and Express in 1947. and Europe in 1947,

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 7-10

### WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

# 

There will be a period of wet weather scross the Easi Coast Sunday. The rainfall

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By Alan Riding

New York Times Service

PARIS — Cyril Collard's transformation
Into a cult figure began March 8 last year
when, three days after he died of AIDS, the
young actor-director's first and only film, "Savage Nights," won four Cesars — the French
Oscars — in an emotionally charged common Oscars - in an emotionally charged ceremony televised nationwide.

career had been cut short by AIDS. He was handsome. He was perocived as a rebel. "His death at the age of 35 has turned him into the James Dean of the 1990s," said Paris Match.

When he died, 900,000 people in France had seen his film, but 1.9 million more saw it before the end of 1993, and it is being shown in several U.S. cities. Sales of Collard's semi-autobiographical novel, adapted for the movie, have jumped from 42,000 in March 1993 to 412,000.

Most telling, however, was the reaction of many young people in France to the movie's story of a bisexual filmmaker who falls for a teenage actress and has unsafe sex with her without disclosing that he has the AIDS virus. For many youths, "Savage Nights" ("Les

Ninits Fauves") was not a cause by tale. Its message was that love conquers "With Cyril Collard, AIDS is no longer a question of poetry, hygiene and ality, but of desire and love," Thomas Sott wrote in a front-page article in Le Monte rying to explain the star's popularity is uzzied older readers. "He conveyed some in new — that life with AIDS is still life."

nringer, is not Laura, played by Roman infected even though she after learning that Jean is

Jean, played by Colla ks strong and is own death as ration." But the the icon for the "Collar ured by a report romanuc aura has been he is said to have has died.

In a long program AIDS seen on all pril 7, the novelist French television cha ner granddauehter Suzanne Prou recoun November, agod 26. Erica, had died of All A few days earlie rise Giroud's "Diashed in which she ry of a Parisian"

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knowledged that she was referring to Suzanne Prou. And a furious debate promptly ensued. Dominique Jamet, a writer, until recently in charge of constructing France's new national library, described Collard as "one of these irre-

after an affair with Collard. Giroud later ac-

sponsible' criminals" who plays with death. Collard's parents were quick to respond, protesting "these monstrous allegations" and noting that when Collard and Erica Prou were lovers, in 1984, AIDS tests did not exist and

relatively little was known about the disease. Now, with ALDS, art and morality all competing for the high ground, there is at least a debate, one that reflects not only the distaste of older conservative French for the subversive role models adopted by their children, but also the perennial French fascination for those pil-

lars of romantic art: love and death. But Romane Bohrmger, Collard's co-star in the movie, said the debate had gone astray. \*Cyril was neither a hero — it was those around him who turned him into a hero - nor a bastard," she said, "He was just a living person. of flesh and bones, that's all. The truth or not the truth matters little. There are no guilty parties. There are only victims."

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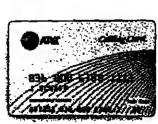
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